

AN EVALUATION OF THE SORBUS DIVISION OF
MANAGEMENT ASSOCIATES INC.

INPUT

Z-GE1
1983

AUTHOR

An Evaluation of The Sorbus

TITLE

Division of Management Associates
Inc.

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I INTRODUCTION

I INTRODUCTION

- This report was prepared for the exclusive use of [REDACTED], in response to the contract received by INPUT on May 3, dated April 21, 1983.
- The object of the study was to obtain specific information on the SORBUS Division of Management Associates Inc. (MAI) and to determine on a best-efforts basis the details solicited by the [REDACTED] work statement provided in Appendix A.
- The sources for this information were:
 - INPUT library files.
 - Interviews with SORBUS Division.
 - Interviews with a past president of SORBUS and a past vice president of field operations.
- In all cases no attempt was made to access proprietary files or information sources but only to gather data freely available to the public. The "added value" of the INPUT study was to synthesize many data sources.
- In order to be as precise as possible as to the reliability of the data provided to [REDACTED] information is graded as follows:

- (Grade I) - Very reliable (i.e., substantiated data).
- (Grade II) - Reliable (i.e., generally believed to be valid).
- (Grade III) - Best available (i.e., unsubstantiated).
- No data of lesser value than these categories has been included in this report. The report's structure follows the outline of the work statement.
- [REDACTED] may, for a period of 30 days starting from the receipt of this report, consult with INPUT at no extra cost on the contents of this report.

II ANALYSIS OF MIX OF SORBUS REVENUE AND INCOME

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- SORBUS (greek for service), originally the service division of MAI, was created as an autonomous subsidiary. In 1971 MAI decided to assist users of IBM unit record equipment to take advantage of their purchase credits. MAI would purchase the equipment for them and lease it back, providing service as a part of the lease back.
- This contributed heavily to the establishment of the third-party maintenance concept within SORBUS and continues to provide the thrust for SORBUS's service of IBM equipment. Exhibit II-1 shows the historical overview of IBM equipment service programs.
- Exhibit II-2 summarizes the data available from the annual reports and 10-K reports filed by MAI. The fiscal year ends on September 30.

A. OPERATING PROFIT AND REVENUE SOURCE (GRADE I)

- The operating profit, as a percentage of sales to unaffiliated customers, has been in the 14-15% range over the last three years, an average performance for third-party maintenance vendors. However, because revenue from the same source has grown 25% per annum, operating profit has grown an average of 30%, an excellent performance.

EXHIBIT II-1

SORBUS SERVICE DIVISION
HISTORICAL OVERVIEW

1971	SORBUS, Inc. is organized as an independent, domestic maintenance subsidiary of MAI. Principal products maintained include an extensive base of IBM manufactured unit record equipment, paper tape drives, and Memorex disk drives interfaced with IBM 360 systems.
1972/1975	SORBUS, Inc.'s maintenance capabilities are enhanced through the expanding service of IBM 1401 and 360 systems. Agency agreements are signed with several major suppliers of plug-compatible peripherals and memories for IBM System/3, 360, and 370.
1976	A System/3 maintenance program is introduced, a product for which SORBUS, Inc. had been supporting most add-on peripherals and memories.
1977/1978	Growth continues at record levels, a comprehensive field inventory system (FIS) is put in place.
1980	370 maintenance program begins. Repair depots are strategically located in 12 cities. Radio dispatched parts VAN program begins.
1981	IBM System/34 maintenance program begins.
1982	IBM's PC maintenance program begins.

SOURCE: SORBUS

EXHIBIT II-2

SORBUS REVENUE AND INCOME

SOURCE	\$ MILLIONS				AAGR (percent)
	1979	1980	1981	1982	
Sales to Unaffiliated Customers	\$71.4	\$92.8	\$111.3	\$140.3	25.3%
Intersegment Sales	6.6	7.1	8.0	8.8	10.1
Total Revenue	\$78.0	\$99.9	\$119.3	\$149.1	24.1%
Operating Profit	\$9.5	\$14.2	\$15.5	\$21.0	30.3%

REVENUE DISTRIBUTION	PERCENT OF REVENUE			
	1979	1980	1981	1982
International	28%	28%	27%	28%
Domestic	72	72	73	72
Domestic Mix				
- MAI Equipment	41	41	42	42
- IBM Equipment	45	45	43	38
- Other Equipment	14	14	15	20

B. INTERNATIONAL AND DOMESTIC REVENUE MIX (GRADE I)

- International service revenue is practically all from servicing MAI equipment so that the only revenue that can be analyzed is that of the domestic market. This has evidenced a sharp change in the last year with the rapid deployment of the personal computer, which SORBUS has made a central target of its service division. Almost every major brand of PC is serviced: Apple, Tandy Radio Shack, IBM, North Star, Dynabyte and MAI's own S/10 micro. On-site service is offered on the IBM PC.
- In mid and late 1981 SORBUS added the service division (and customers) of Pertec and the Fioro terminal users of Florists Transworld Delivery (worth \$3 million in a full year). More recent service contract additions such as Avnet Inc.'s Computer Superstores and Non-Linear Systems continue to grow the "other" revenue category at a faster rate than the IBM services, despite adding the PC, System/34, 3031, and 4331 systems.
- Eighty Pertec service representatives were added as a result of the Pertec takeover.
- On May 17, 1982 SORBUS took over part of the Magnusson service. In this case SORBUS representatives were trained on Magnusson equipment.
- In April 1983 MAI signed a letter of intent to service General Automation customers. GA service employees will be integrated into SORBUS. This will be worth \$12 million in added revenue to SORBUS.

C. RECENT TRENDS IN THE REVENUE MIX (GRADE II)

- Exhibit II-3 shows that overall service revenue from international sources (MAI equipment only) has kept pace with the domestic service revenue, which has been substantially helped by the growth in "other" category services.
- Beyond the service revenue from its own products, SORBUS has made the transition from a supplier of IBM services to a multiproduct service vendor. This decreases SORBUS's vulnerability to changes in IBM's service pricing and provides SORBUS with a better growth market. The IBM market is the worst performer of the SORBUS service markets.
- Revenue from this "other" service category is expected to exceed that of the IBM service category by 1986, despite SORBUS's efforts in the IBM market.

D. KEY MARGIN DRIVERS (GRADE III)

- Like all third-party service vendors, SORBUS has a gross margin on labor on the order of 10% and a gross margin on spare parts on the order of 35-65% (depending on the equipment maintained). IBM equipment spares are the least profitable and MAI parts are the most profitable.
- In between there are a number of good margin producers such as the old IBM unit record equipment, the Pertec equipment, and the preferred source contracts (e.g., FTD). The key to profits in third-party maintenance is the margin, and therefore source, of the spare parts.

EXHIBIT II-3

SERVICE REVENUE BREAKDOWN

MARKETS	\$ MILLIONS				AAGR (percent)
	1979	1980	1981	1982	
International	\$20.0	\$26.0	\$30.1	\$39.3	25.3%
Domestic	51.4	66.8	81.2	101.0	25.2
- MAI Equipment	21.1	27.4	34.1	42.4	26.2
- IBM Equipment	23.1	30.1	34.9	38.4	18.5
- Other Equipment	7.2	9.3	12.2	20.2	41.0

Note: International service revenue is not a part of the SORBUS division but belongs to MAI International (a marketing division for MAI's international subsidiaries and distributors).

III MANAGEMENT, TURNOVER, AND COMPENSATION

III MANAGEMENT, TURNOVER, AND COMPENSATION

A. BACKGROUND (GRADE I)

- The general background of all the top service management people has been in the past:
 - Initially employed and trained by IBM.
 - Joined MAI.
 - Transferred to the SORBUS division.
- All are very highly qualified people (degrees, 15 plus years in service and source management). SORBUS no longer recruits IBM staff but "grows its own" through an excellent training program.

B. TURNOVER (GRADE I)

- To date, other than a low level of attrition, turnover has been unexceptional. The major loss from the service division has been Mr. Schinellar who left to head up Decision Data's service division, taking 8-10 key people with him. This was a personal decision, which apparently had more to do with career ambition than with internal company problems.

- In 1980 SORBUS implemented an incentive program for field service personnel called Magna which reduced field turnover to 7%.

C. EQUITY AND COMPENSATION (GRADE II)

- SORBUS base salaries for field engineers and line managers are competitive with the industry rates, as shown in Exhibits III-1 and III-2. Total compensation includes a very high bonus scheme at all levels of management. All managers are given incentives to sell SORBUS services.
- Equity in SORBUS is nonexistent. Equity in MAI is generally reserved for the president of SORBUS (who is also an executive vice president of MAI, traditionally). Senior vice presidents have a base salary of \$132,000 with no equity but a bonus of up to 30%. Wallace (president, 48 years old), will have a base of \$150,000 this year and could earn over \$50,000 more on a bonus that is related to the overall division's performance. He joined MAI in 1965.
- Exhibit III-3 summarizes the SORBUS organizational chart.

EXHIBIT III-1

COMPARISON OF AVERAGE ANNUAL SALARY RANGES BY FUNCTION
1980-1982

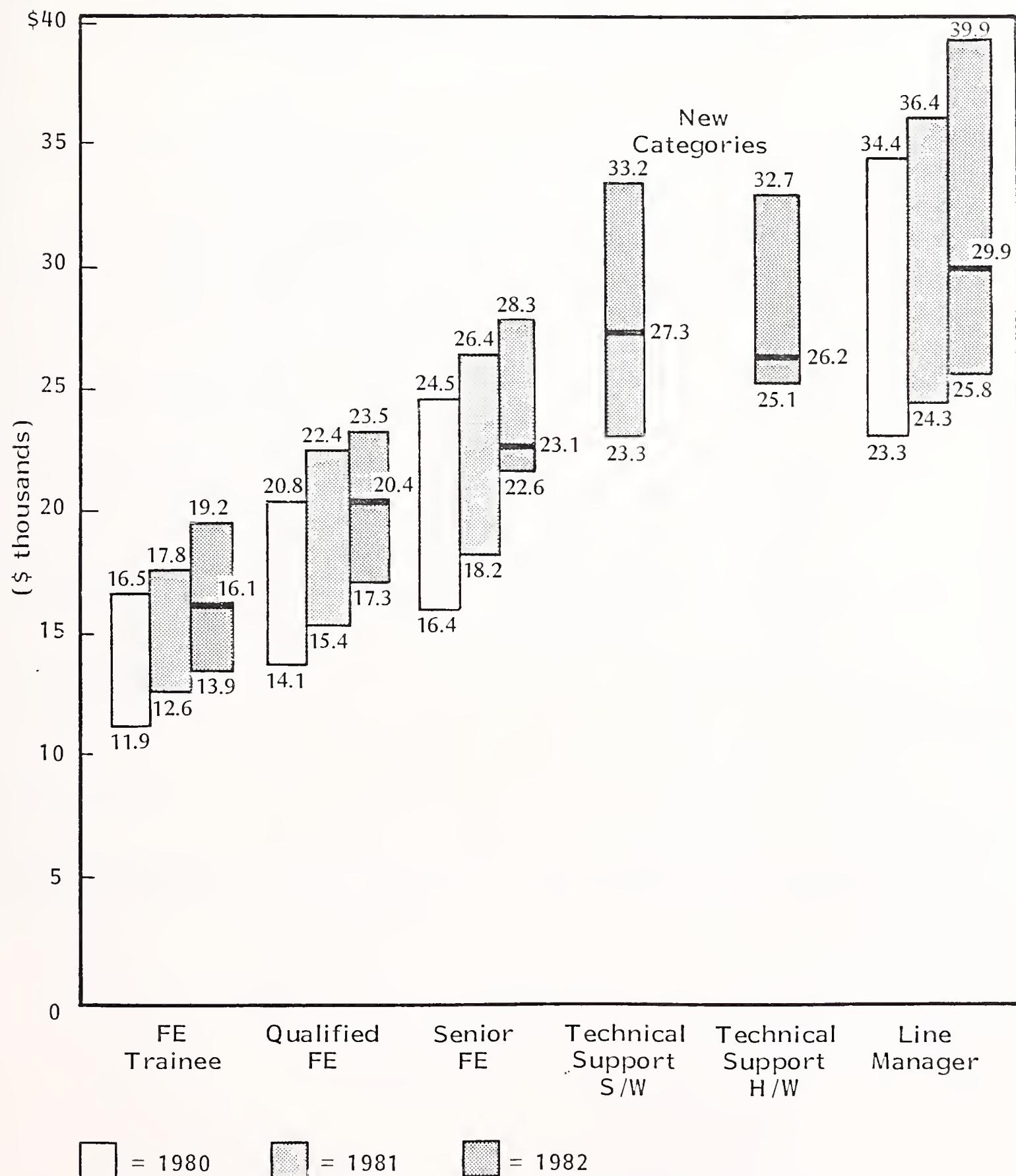


EXHIBIT III-2

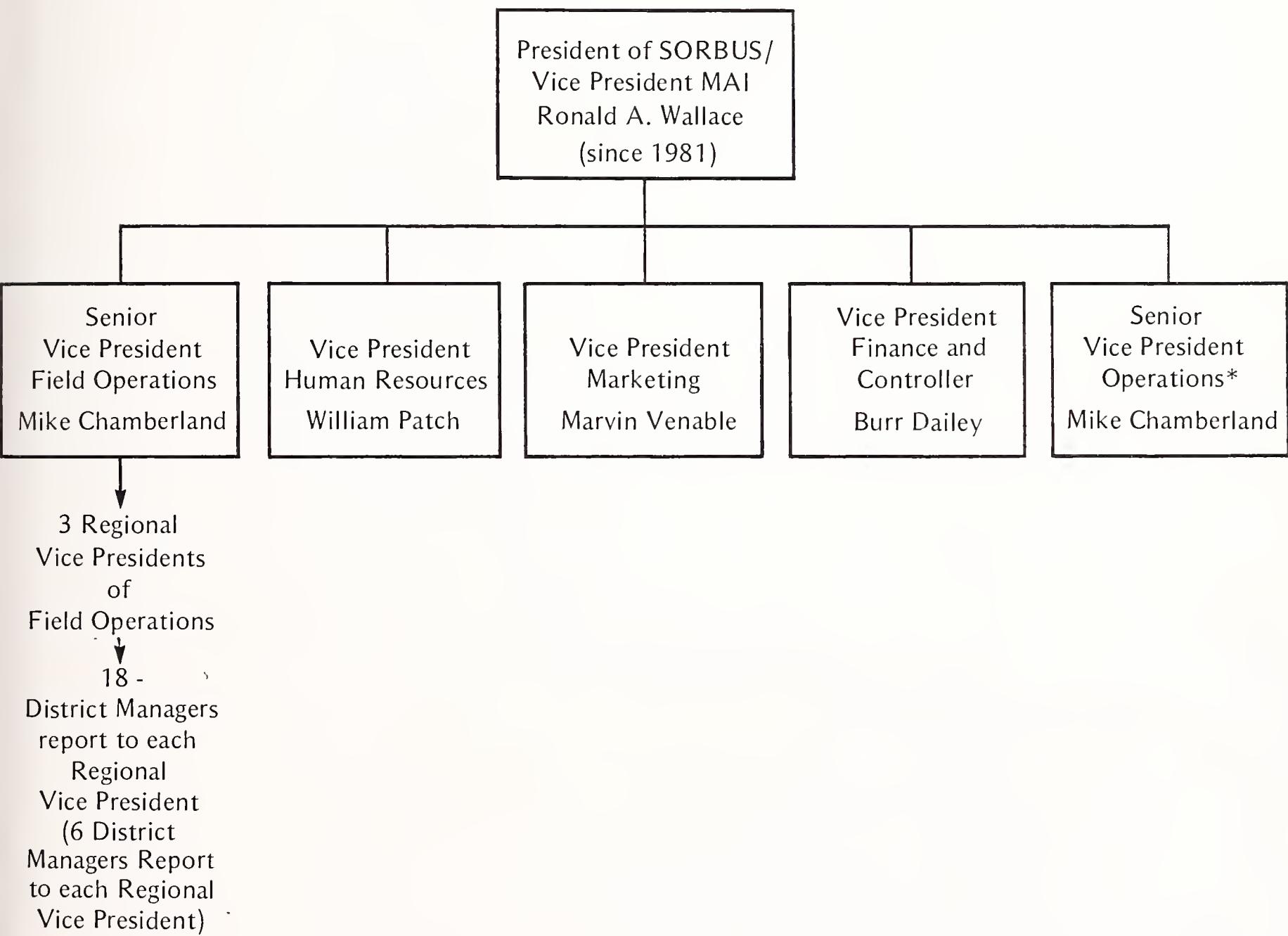
AVERAGE SALARY RANGES BY FUNCTION

FUNCTION	AVERAGE YEARLY SALARY 1982	RANGE OF SALARY (\$ thousands)	PERCENT INCREASE	
			1981	1982
Trainee Engineer	\$16,100	13.9-19.2	8.7	8.5
Qualified Engineer	20,400	17.3-23.5	8.9	8.9
Senior Engineer	23,100	22.6-28.3	11.6	9.3
Technical Support H/W	26,200	25.1-32.7	9.0	9.9
Technical Support S/W	27,300	23.3-33.2	9.6	10.1
Supervisor	28,300	23.6-31.6	8.7	8.7
Line Manager	29,900	25.8-39.9	9.7	9.9

Source: Vendor Interviews

EXHIBIT III-3

SORBUS ORGANIZATIONAL CHART



*Note: There is also a Senior Vice President of Basic Four Relations who handles all contacts with Basic Four.

IV SERVICE PERSONNEL

IV SERVICE PERSONNEL

A. NUMBER, LOCATION (GRADE III)

- The 1981 annual report states that 1,100 field engineers were on the payroll as of September 30, 1981. In fiscal 1982 this increased 11.8% to 1,230. In May 1983, an ex-president of SORBUS said he thought there were 1,300 field engineers in the U.S. field. This will increase sharply with the addition of 200 GA employees in 1983.
- There are 149 service locations in the U.S., as shown in Exhibit IV-1, but the number of those offering service to any given product varies from as low as 10 to the full 149. In addition SORBUS maintains 15 depot repair centers catering to ship-in and carry-in service, offering:
 - On-site service (annual charge, annual contract).
 - Ship-in service (monthly charge, annual contract).
 - Carry-in service (monthly charge, annual contract).
 - Flat-rate charge (per call).
- The entire U.S. is divided into service locations (given in Appendix B), which are in two categories:

EXHIBIT IV-1

SORBUS SERVICE CENTERS

Alabama Dothan Homewood Mobile	Illinois Bensonville Chicago Elmhurst Moline Peoria Rockford Springfield Wheeling	Nevada Las Vegas Reno	Rhode Island Cranston
Arizona Phoenix Tucson		New Hampshire Concord	South Carolina Greenville
Arkansas Little Rock		New Jersey Cherry Hill Clifton East Brunswick	Tennessee Chattanooga Knoxville Memphis Nashville Oak Ridge
California Anaheim Burbank Fresno Los Angeles Oakland Orange Sacramento San Diego San Jose San Leandro San Rafael Santa Ana Santa Barbara Stockton Tustin	Indiana Fort Wayne Indianapolis South Bend	New Mexico Albuquerque	Texas Austin Corpus Christi Dallas El Paso Fort Hood Ft. Worth Houston Hurst Lubbock San Antonio Waco
	Iowa Des Moines	New York Albany Buffalo Hicksville Elmira Melville New York City Rochester Syracuse White Plains	
	Kansas Kansas City Topeka Wichita	North Carolina Asheville Charlotte Greensboro Hickory Raleigh Winston-Salem	Utah Salt Lake City
	Kentucky Louisville	Ohio Akron Cincinnati Cleveland Columbus Findlay Kettering Toledo Youngstown	Virginia Fairfax Norfolk Richmond Roanoke Vienna
	Louisiana Metairie Monroe New Orleans Shreveport		Washington Spokane Tukwila
	Maryland Baltimore	Oklahoma Oklahoma City Tulsa	West Virginia Parkersburg
	Massachusetts Boston Natick	Oregon Eugene Portland Salem	Wisconsin Appleton Beloit Madison Oshkosh Racine Wausau West Allis
	Michigan Battle Creek Detroit Flint Lansing Livonia Saginaw Wyoming (Grand Rapids)	Pennsylvania Erie Harrisburg King of Prussia Philadelphia Pittsburgh	
Florida Cocoa Beach Ft. Meyers Jacksonville Miami Orlando Pensacola Tampa	Minnesota Duluth Minneapolis		
Georgia Atlanta Doraville Macon	Missouri Chesterfield Maryland Heights St. Louis		
Hawaii Honolulu	Nebraska Omaha		
Idaho Boise			

Note: For a precise definition of the zones served by each of these centers, see Appendix B.

- One hundred and five SORBUS "serviceable" location zones where SORBUS will provide service based on a monthly maintenance charge without a mileage charge (except per-call services).
 - Seventy-eight SORBUS "prior approval" locations (zones where SORBUS may accept to service products on a case-by-case basis, without a mileage charge).
- In the international market (non-U.S.) SORBUS is present in 30 countries, 150 locations, with approximately 800 service personnel. They support both MAI's own subsidiaries and the network of independent distributors. None of them belongs to SORBUS but all are part of MAI International.
- The field force is supported by a network of IS terminals and eight Basic Four systems in the U.S., which track more than 150,000 SORBUS part numbers in 3,200 stock locations.
- In addition to the service locations, there are 15 U.S.-based SORBUS repair depots that repair PCBs, power supplies, keyboards and printheads. Internationally there are four repair centers in Enschede (Netherlands), Frankfurt (West Germany), San Juan (Puerto Rico), and Toronto (Canada).
- Finally, more recently (1982) SORBUS has begun developing the concept of the SORBUS Station (stores offering carry-in service for portable equipment). These stores are located in convenient locations and sell DP supplies.
- The first three SORBUS stations are located in shipping areas in Cherry Hill, New Jersey; Wheeling, Illinois; and Santa Ana, California. They adopt a consumer goods approach to servicing terminals, personal computers, printers, etc.

B. RECRUITING AND TRAINING PROGRAMS (GRADE I)

- Basic recruiting programs are directed at trade schools, which provide 70% of their recruits. The military is the next best source of new people, with very little competitive hiring done from other TPM or hardware manufacturing companies.
- The training programs include basic training for new recruits, training on OEM products (through the OEM representatives) and training on MAI's diagnostic tools (such as UPTIME). There is a heavy emphasis on internal training, with a drive on to provide trainers that have all the expertise of the OEM trainers so that greater MAI autonomy is achieved in this area.
- In the U.S. there is a single, well-equipped training center with color videotape support, specialized classes, and general classes. Internationally there are four regional education centers in Canada, the Netherlands, Puerto Rico, and West Germany.

C. OTHER SERVICE PERSONNEL DATA (GRADE III)

- At last check there were no union members among the service personnel. The ratio of one line manager to 16 engineers is used as a guideline. The ratios of exempt to nonexempt and direct to nondirect are not known.
- A typical operation is that in Burbank, California, with:
 - One district manager.
 - Five field managers.
 - One hundred field service engineers.

V INVESTMENTS

V INVESTMENTS

A. REAL ESTATE (GRADE I)

- The real estate utilized by the MAI group is summarized in Exhibit V-1 as of the close of the last fiscal year.
- The Tustin, California facility (the largest) is subject to two mortgages:
 - 9.5% 30-year amortization schedule.
 - 9.812% 28-year amortization schedule.
- The Enschede property is occupied under a long-term line/purchase agreement similar to a net lease, with equal monthly payments. Title passes to MAI on completion of the lease. The building services produce both assembly and service operations in that country.
- The Frazer, Pennsylvania property title passes to MAI upon its performance under an agreement to untie individual development revenue bonds (maturity 1995) that financed the purchase of the land and development of the facility.
- Except those buildings mentioned in Exhibit V-1, MAI leases all of its buildings. Fixtures and equipment are generally owned by MAI.

PRINCIPAL PROPERTIES UTILIZED BY MAI, AS OF SEPTEMBER 30, 1982

INDUSTRY SEGMENT TO WHICH PROPERTY IS PRIMARILY DEVOTED	TYPE	APPROXIMATE TOTAL SQUARE FOOTAGE	LOCATION
Information Processing Systems	Manufacturing, Administration, Engineering, and Research and Development	336,280	Tustin, California
	Product Assembly, Repair Center, Marketing	31,000	Enschede, The Netherlands
	Warehousing	23,500	Tustin, California
	Education	7,000	Irvine, California
	Administration, Education and Software Development	11,000	Irvine, California
	Administration, Sales, Education and Software Development; also Maintenance and Related Services	73,000	Frankfurt, West Germany
	Administration, Sales, Education and Software Development; also Maintenance and Related Services	52,000	Markham, Canada
Maintenance and Related Services	Administration and Education Field Service	100,000	Frazer, Pennsylvania
	Field Service	50,000	King of Prussia, Pennsylvania
	Field Service	38,000	Santa Ana, California

B. SPARE PARTS (GRADE II)

- Three classes of spares have to be considered:
 - Spares for MAI equipment.
 - Spares for OEM equipment with no commitments.
 - Spares for OEM equipment with commitments.
- The MAI equipment spares are carried on the books in the normal fashion. Added to them are those OEM service contracts that require a spares investment (i.e., as a concession to the OEM). The combined value of these is estimated by an ex-vice president of field operations at \$35 million.
- Payments such as that made to General Automation (\$5.5 million) should also be considered an investment.
- OEM contracts that do not require such commitments are normally handled by spares consignments. Although these do not represent actual dollar investments, they do represent liabilities. Each consignment is made for the duration of the SORBUS/OEM contract; at contract termination SORBUS must account for every spare missing from the consignment or pay the difference.

C. VEHICLES AND TEST EQUIPMENT (GRADE III)

- Only officers of the company have company-paid cars.

- Investment in test equipment is not available. All that is known is that each repair center is fully equipped with Fairchild and GenRad systems for fault isolation on PCBs. Many of the engineers are issued a scope and DVM.
- The estimate for test equipment is:
 - Three million dollars (repair centers).
 - Twelve million dollars (spares inventory for same).
 - Two million dollars (field equipment).

VI BUSINESS PRACTICES

VI BUSINESS PRACTICES

A. CONTRACT VERSUS HOURLY SERVICE (GRADE I)

- The contract services offered by SORBUS are processed under a series of formal maintenance agreements, copies of which are provided in Appendix C:
 - General maintenance agreement.
 - Microsystems maintenance agreement.
 - Depot service agreement.
- Hourly rates charged have steadily increased, changing approximately once every six months:

<u>Class</u>	<u>Includes</u>	<u>Prime Prior</u>	<u>(\$/hr) 12/1/83</u>	<u>7/1/83</u>	<u>After Hours Prior</u>	<u>(\$/hr) 12/1/83</u>	<u>7/1/83</u>
I	Mini Peripherals	\$72	\$ 79	\$ 85	\$ 86	\$ 95	\$102
II	Mini Systems, Large Peripherals	86	95	102	106	117	126
III	Mainframes	95	105	113	114	125	135
IV	Micro-Based Products	63	69	74	75	83	89
V	Old IBM Products	85	94	101	99	109	118

- The percentage changes have thus been:

Class		Percent Change in			
		Prime dollars/hour		After hours dollars/hour	
		<u>12/1/82</u>	<u>7/1/83</u>	<u>12/1/82</u>	<u>7/1/83</u>
I	Mini Peripherals	9.7%	7.6%	10.5%	7.4%
II	Mini Systems, Large Peripherals	10.5	7.4	10.4	7.7
III	Mainframes	10.5	7.6	9.6	8.0
IV	Micros	9.5	7.2	10.7	7.2
V	Old IBM Products	10.6	7.5	10.1	8.3

B. IBM SERVICE AND EXTENDED COVERAGE (GRADE I)

- Normal hours of service for non-IBM equipment are 8 a.m.-5 p.m., Monday through Friday. Basic contract coverage for IBM equipment is 11 hours per day (i.e., 7 a.m.-6 p.m., Monday through Friday). This was in response to IBM's own service moves.
- Extended service on an IBM mainframe is as follows:
 - Basic coverage (7 a.m.-6 p.m., Monday through Friday) BMMC
 - 16 hours/5 days +12%
 - 20 hours/5 days +18%
 - 24 hours/5 days +24%
 - Saturday +10%
 - Saturday/Sunday +13%
 - For example, 24 hours/7 day coverage would be BMMC +24% +13%.

- To date SORBUS pricing is 20% less than comparable IBM service. Price increases have followed IBM's announcements. A comparison of hourly rates for micros is given in Exhibit VI-1. Exhibit VI-2 encompasses on-site charges for a typical micro configuration:
 - With other vendors.
 - Between IBM, SORBUS, and Computerland for the same product (IBM PC).

C. DEPOT REPAIR (GRADE I)

- This covers PCB, terminals, printers and other portable devices. SORBUS also offers this service to other service organizations for additional revenue.
- Computer SuperStores has accepted SORBUS "Stations" at their facilities for over-the-counter, on-site, and warranty repair service. Each store will provide 1,000-1,500 square feet of space for the SORBUS station, which will operate 12 hours a day, 7 days a week. Two such stations exist so far: Phoenix, Arizona and Albuquerque, New Mexico. New additions are planned for the coming months.

EXHIBIT VI-1

HOURLY MAINTENANCE RATE COMPARISON
(dollars)

VENDOR	ON-SITE		DEPOT / SHOP	
	8-5/M-F	OTHER	8-5/M-F	OTHER
Commodore	N/A	N/A	\$35	N/A
DEC	\$63	\$75	79	N/A
HP	105	N/A	(1)	(1)
RCA	N/A	N/A	51	\$76
SORBUS	69	83	(3)	(3)
Tandy /RS	N/A	N/A	35	N/A
TRW	82	N/A	82(2)	N/A
Xerox	85	106	55	68

- (1) Fixed fee charges of \$100 for simple problems, \$250 - \$450 for more complex problems.
- (2) Savings to customers is only on the mileage rate (\$0.30/mile).
- (3) Fixed fee charges by component (e.g., \$75 for computer, \$40 for video display, \$70 for daisy wheel printer).

ON-SITE MAINTENANCE CHARGES COMPARISON

MODEL	PURCHASE PRICE (1)	FULL SERVICE (Dollars per Annum)	SERVICE AS PERCENT OF PURCHASE PRICE	SERVICE SOURCE
Apple II	\$3,819	\$802	21.0%	RCA
Commodore 64	3,124			TRW
Cromemco System One	5,578	1,004 (2)	18.0	Local Dealer
DEC Rainbow 100	3,770	540	14.3	DEC
H-P 86A	4,675	420	9.0	HP
IBM Personal Computer	4,345	(a) 646	14.9	(a) SORBUS
		(b) 564	13.0	(b) IBM
		(c) 260	6.0	(c) Computerland
TRS-80 Model 3	2,328	459	19.7	Tandy / RS
Xerox 820-11	4,890	780	16.0	Xerox

(1) Configurations costed are for 64KB CPU, keyboard, 2 floppies, display and 80 cps printer.

(2) On-site service for companies only, not consumers.

VII CUSTOMER BASE AND OPERATING PRACTICES

VII CUSTOMER BASE AND OPERATING PRACTICES

A. INDUSTRY MIX (GRADE II)

- There is very little industry concentration except for one GSA contract that provides \$15 million (14%) annually.
- The large, national "customers" that underwrite the base are MAI (Basic Four, 42%) and the old unit record systems from IBM that produce the following (declining) rental and sales revenue:
 - In 1980 - \$7,847,000.
 - In 1981 - \$6,832,000.
 - In 1982 - \$6,845,000.
- No new business is being solicited in the IBM unit record equipment area.

B. OFFICES VERSUS VANS (GRADE I)

- There is no such trade-off. SORBUS began the "man in the van" concept (i.e., field engineer that is radio dispatched with full spares). Dispatching is operated locally rather than nationally.

C. P&L CENTERS AND AUTONOMY (GRADE III)

- These are implemented all the way down to the field line manager. All of these managers are revenue-oriented and are measured accordingly.
- There is no real top management autonomy. MAI maintains a strong centralized control over the business. However, below top management there is a high degree of individual branch, district, and regional autonomy.

D. SELLING PRACTICES (GRADE II)

- The SORBUS sales approach to individual sites is top down, starting with the vice president/director of data processing. These usually are cold call, cold prospecting efforts.
- The usual TPM vendor benefits are sold:
 - National network, local presence.
 - Flexible contracts, tailored service.
 - High image, good reputation.
 - Price discount.
- SORBUS is most aggressive on the large contract business end (e.g., Magnusson, General Automation). There are numerous start-ups that are ideal targets for such efforts, which map onto previous successes:

- Businessland, Computerland (like Computer SuperStores).
- Many micro vendors (like Zilog).
- Many customized networks (like FTD).
- Many mini vendors (like GA).
- Some mainframe suppliers (like Magnusson).

- The standard sales pitch is provided in Appendix D.

VIII SUMMARY OF STRENGTHS AND LIMITATIONS

VIII SUMMARY OF STRENGTHS AND LIMITATIONS

- SORBUS has passed three of the most important phases in the development of a third-party maintenance business:
 - Established an image as a quality, nationwide supplier of TPM.
 - Amassed critical revenue of \$100 million, which generates enough expansion capital (out of cash flow); it is a self-sustaining business.
 - Established successful contracts and TPM business divisions in all major markets.
- To this might be added a strong management team, good hiring, education, compensation, and promotion plans to grow the business from within (rather than at the expense of other organizations).
- The participation in the micro service market is crucial for another phase of the TPM business: consumer products. Dealing with the personal computer will give SORBUS visibility with an entirely new stratum of dealers, distributors, and retailers, which will logically lead to servicing consumer products (radios, TV, VTR, stereo/hi-fi, etc). SORBUS already advertises personal computer service on local radios.
- SORBUS is now 13 years old as a separate entity, and its maturity is beginning to show in dealings with the business community. There are no obvious weaknesses in the company.

APPENDIX B: SORBUS SERVICE LOCATIONS

APPENDIX B

The following is a listing of Sorbus Serviceable Areas by location, which indicates specific zones in which Sorbus will provide service on a MMC basis without a mileage charge (does not apply to service performed on a Per Call basis) as well as those Sorbus Serviceable Areas categorized as Prior Approval Required Areas in which case Sorbus may accept service, on a case by case basis, without a mileage charge.

- Sorbus Serviceable Areas: pages 1 through 3
- Sorbus Prior Approval Required Areas: pages 3 and 4

Alabama

13 513 Birmingham – Jefferson County – Shelby County

Arizona

6 263 Phoenix – that area within the intersection of lines drawn east-west through New River on the north; north-south through Apache Junction on the east; east through Casa Grande on the south; and north-south through Buckeye on the west.

California

1 105 Oakland – Alameda County, west of Interstate 680 – Contra Costa County, west of Interstate 680 to include the city limits of Walnut Creek and Concord

2 135 Los Angeles – that area bounded by a line beginning in the west at the Los Angeles County line on the Pacific Coast and proceeding northeast on the Los Angeles County line to Rte. 101; northwest on Rte. 101 to Thousand Oaks; northeast to the intersection of Rtes. 5 and 14; southeast to the intersection of Rtes. 210 and 605; south along Rte. 605 to Rte. 60; west on Rte. 60 to Rte. 7; south on Rte. 7 to the Pacific Coast; west along the Pacific Coast to the point of origin.

Simi Valley – city limits

1 102 Novato – Marin County

6 133 Orange County – that area bounded by the line originating at the point of Pacific Coast Highway and Rte. 7; proceeding north on Rte. 7 to Rte. 60; east on Rte. 60 to Rte. 605; north on Rte. 605 to 2 miles north of the end of Rte. 605; eastward with a line intersecting the L.A. and San Bernardino county line, proceeding southward along the San Bernardino County line to the intersection of Orange County Line; eastward along the Orange County-San Bernardino County Line to the intersection of Riverside County; south with a line drawn to the east side of South Laguna City Line to the Pacific Coast; west along the Pacific Coast to the point of origin.

1 106 Sacramento – Sacramento County

6 134 San Bernardino – that area bounded by a line beginning in the west at the eastern city limits of Ontario; proceeding east along Rte. 30 to the western city limits of Redlands, including the city limits of San Bernardino and the city limits of Redlands; directly south from the eastern city limits of Redlands to Rte. 60; west on Rte. 60 to the eastern city limits of Riverside; around the city limits of Riverside to Rte. 91; west on Rte. 91 to the intersection of Rte. 91 and a line drawn directly south from the eastern city limits of Ontario; directly north from that point to the point of origin.

6 132 San Diego – that area bounded by a line beginning in the north on the Pacific Coast and proceeding directly northeast through Encinitas to Escondido; directly south-east along the eastern city limits of El Cajon to the United States-Mexican border; west along the United States-Mexican border to the Pacific Ocean; north along the Pacific Coast to the point of origin.

1 103 San Francisco – San Francisco County – San Mateo County

1 104 San Jose – Santa Clara County

Colorado

7 265 Denver – that area bounded by a line beginning in the north from Hudson on Rte. 52 proceeding west to the intersection of Rte. 52 and 119 continuing west to Jamestown; directly south from Jamestown to Evergreen; southeast from Evergreen to Castle Rock; northeast from Castle Rock to Franktown; north from Franktown to the point of origin.

Connecticut

9 401 Bridgeport – that area bounded by a line beginning on the west from the intersection of Long Island Sound to Route 124, proceeding north through Route 124 and Route 123 to the New York State line, following a straight line eastward to Wallingford, forming an eastern boundary on a straight line from Wallingford south terminating at Long Island Sound at Indian Neck.

9 437 Stamford – that area bounded by a line beginning in the west on the New York State line and proceeding north on the New York State line to Route 123, the eastern boundary proceeding on Route 123 through Route 124 to the Long Island Sound, the southern boundary formed by Long Island Sound to the point of origin.

9 409 Hartford – that area within the intersection of lines drawn east-west through Thompsonville on the north; north-south through Coventry on the east; east-west through Middletown on the south; and north-south through Burlington on the west.

Meriden -- city limits

9 410 New London – City limits of: Groton – New London – Norwich

Delaware

11 486 Wilmington – New Castle County

District of Columbia

12 510 Washington – that portion of Prince Georges County, Maryland, which is west of Rte. 301. That portion of Montgomery County, Maryland, which is both east and south of the intersection of Rtes. 27 and 270, Washington, D.C. city limits. That portion of Prince William County, Virginia, both north and east of Rte. 234. Fairfax County, Virginia.

Florida

13 522 Miami – Broward County – Dade County and that portion of Palm Beach County east of U.S. 441 and south of the northern city limits of West Palm Beach.

13 525 Tampa – Hillsborough County – Pinellas County

SORBUS SERVICEABLE AREAS (Continued)

Georgia

13 520 Atlanta — Cherokee County — Clayton County — Cobb County — De Kalb County — Douglas County — Fayette County — Forsyth County — Fulton County — Gwinnett County — Henry County — Paulding County — Rockdale County — Spalding County.

Idaho

7 270 Boise — Ada County

Illinois

4 185 Chicago-South — the southern boundary of Cook and DuPage Counties, Illinois, north to Interstate 5 and Interstate 90. Will County, Illinois, north of Rte. 80. Lake County, Indiana, north of Rte. 30. Porter County, Indiana, north of Rte. 30.

4 182 Chicago-North — the northern boundaries of Cook and DuPage Counties, Illinois, south to Interstate 5 and Interstate 90. Lake County, Illinois.

5 205 Springfield — Sangamon County

Indiana

5 203 Indianapolis — Hendricks County — Johnson County — Marion County — Morgan County — Shelby County

4 183 South Bend — that area bounded by a line beginning on the north at Lake Michigan proceeding south on Rte. 421 to Rte. 30; east on Rte. 30 to Rte. 31; north on Rte. 31 to Rte. 6; east on Rte. 6 to Rte. 15; north on Rte. 15 to the Indiana-Michigan border; north on Michigan Rte. 103 to Rte. 12; west on Rte. 12 to Lake Michigan; southwest along the shore line to the point of origin.

Kansas

7 285 Wichita — city limits

Kentucky

8 202 Louisville — Jefferson County — New Albany, Indiana — city limits

Louisiana

3 153 New Orleans — city limits

Maryland

12 505 Baltimore — that portion of Anne Arundel County which is north of Rte. 50. City limits of Annapolis. That portion of Howard County which is east of either Rte. 32 or Rte. 108. That portion of Baltimore County which is south of exit 20 on Rte. 83.

Massachusetts

9 403 Boston — that area bounded by a line beginning in the east at Gloucester proceeding northwest on Rte. 133 to Rte. 495, including Lawrence; southwest on Rte. 495 to Rte. 95; east on Rte. 106 to Rte. 18; north on Rte. 18 to Rte. 53, north on Rte. 52 to Rte. 3A, including Quincy; from the junction of Rtes. 53 and 3A proceed directly north to the point of origin.

9 411 Fitchburg — city limits

9 412 Leominster — city limits

9 413 Lowell — city limits

9 414 Springfield — that area within the intersection of lines drawn east-west through Amherst in the north; north-south through Palmer in the east; east-west through Windsor, Connecticut, in the south; and north-south through Granville Center in the west.

9 415 Worcester — city limits

Michigan

14 545 Detroit — the south-west boundary is a line from a point where the counties of Washtenaw, Livingston, and Oakland join, to the crossroads of I-75 and M-85. The northwest boundary is a line from the point where the counties of Washtenaw, Livingston, and Oakland join, to a point where the counties of Oakland, Macomb, and Lapeer join. Then the north-northeast boundary is a line from the crossroads of I-94 and M-59 to the crossroads of U.S. 23 and Thompson Road.

14 546 Grand Rapids — northern boundary is M-57 starting from Greenville on the east to Kent City on the west continuing northwest to Casnovia on M-37 then due west on M-46 from Casnovia to the intersection of M-46 and B-31; western boundary is B-31 south from M-57 to M-104, west to U.S. 31 south including city limits of Holland south on M-40 to Hamilton; southern boundary is an imaginary east-west line connecting and including the city limits of Hamilton and Wayland, turning to include Middleville, Freeport and Clarksville; eastern boundary is from Clarksville north to Saranac north to join M-91 north through Belding and continuing on M-91 to Greenville.

Minnesota

5 207 Minneapolis — Carver County — Dakota County — North of Rte. 50 — Hennepin County — Ramsey County — Scott County — Washington County

Missouri

7 266 Kansas City — Clay County — Jackson County — Platte County — Johnson County, Kansas — Wyandotte County, Kansas

5 206 St. Louis — St. Charles - city limits, St. Louis County — Madison County, Illinois — St. Clair County, Illinois

Nebraska

7 267 Omaha — Douglas County — Sarpy County — Council Bluffs, Iowa

Nevada

2 272 Las Vegas — that area bounded on the north by Craig Road, on the west by Rainbow Boulevard, bounded on the east by Nellis Boulevard and on the south by Warm Springs Road.

New Jersey

15 463 Clifton — all of the State above a line beginning in the west at Phillipsburg extending easterly along a line running to Bayonne.

15 466 New Brunswick — that area bounded in the south by a line running from Bordentown in the west proceeding easterly to Route 571 at Holmeson then running south-easterly along Route 571 to the Atlantic Ocean; the northern boundary is formed by a line running from Bayonne in the east to Phillipsburg on the west; the western boundary is the Delaware River; the eastern boundary is the Atlantic Ocean.

11 487 Camden — Burlington County, east of Route 206 and North of Route 70; west of Route 206 — Camden County — Cumberland County, north of Route 49 — Gloucester County — Mercer County — Salem County, north of Route 49.

New Mexico

6 276 Albuquerque — Bernalillo County — Sandoval County, south of the intersection of Rtes. 44 and 422

New York

9 404 Albany — Albany County, north of Rte. 443 and 396, Schenectady County — Saratoga County — south of Rte. 67 Rensselaer County, from the Hudson River 5 miles east.

9 408 Buffalo — Erie County — Niagara County

10 457 Hicksville — Borough of Brooklyn — Nassau County — Queens County — Suffolk County, up to William Floyd Parkway

10 460 New York City — Manhattan

9 407 Rochester — Monroe County, ten miles north and south of New York State Thruway from Buffalo to Canandaigua

9 406 Syracuse — Onondaga County — Auburn city limits.

9 405 White Plains — Bronx County — Rockland County — Westchester County.

North Carolina

13 523 Charlotte — Gaston County — Mecklenberg County

13 526 Greensboro/Winston Salem (High Point) — Davidson County — Forsyth County — Guilford County

13 514 Hickory — Burke County — Caldwell County — Catawba County

13 524 Raleigh — Durham County — Wake County

SORBUS SERVICEABLE AREAS (Continued)

Ohio

14 572 Akron, — Summit County — Medina County — Portage County — Stark County
 8 204 Cincinnati — Clermont County — Hamilton County — Boone County, Kentucky — Campbell County, Kentucky — Kenton County, Kentucky.
 14 570 Cleveland — Cuyahoga County — Geauga County, west of Rte. 44 — Lake County — Lorain County
 14 571 Columbus — Delaware County, south of Rte. 36 — Fairfield County, north of Rte. 22 — Franklin County — Licking County, west of Rte. 13 — Pickaway County, north of Rte. 22.
 8 201 Dayton — Green County — Miami County — Montgomery County — Butler County
 8 210 Hamilton — city limits

Oklahoma

7 152 Oklahoma City — city limits
 7 154 Tulsa — city limits

Oregon

1 107 Portland — the northern boundary extends from North Plains, OR, northeast to Hazel Dell, WA. The eastern boundary is formed by a line drawn southeastward from Hazel Dell to Fairview, OR, thence south to Four Corners, OR. The southern boundary extends on an east-to-west line drawn between Four Corners, OR to Newberg, OR. On the west from Newberg, OR north to North Plains.

Pennsylvania

11 477 Allentown — Northampton County, south of Rte. 22 — Bucks County, north of Rte. 202
 11 478 Harrisburg — Cumberland County, between Rtes. 76 and 81 and extending to the city of Carlisle — Dauphin County, south of Rte. 81 — York County, north of Rte. 30 — Lebanon County, south of Rte. 422 — Lancaster County, north of Rte. 30 and west of Rte. 501 — Lancaster — city limits.
 11 485 King of Prussia — Chester County — Montgomery County, west of Rte. 309
 11 480 Philadelphia — Bucks County, south of Rte. 202 — Delaware County — Montgomery County, east of Rte. 309 — Philadelphia County
 11 475 Pittsburgh — Allegheny County — Armstrong County, south of 422 — Beaver County — Butler County — City of Johnstown — Fayette County, north and west of Rte. 119 — Greene County, north of Rte. 211 — Indiana County, south of Rte. 422 — Washington County — Westmoreland County.
 11 479 Reading — Berks County, south of Rte. 422 — Lancaster County, north of Rte. 30 and east of Rte. 501 — Reading — city limits.

Rhode Island

9 402 Providence — that area within the intersection of lines drawn east-west through Woonsocket on the north; north-

south through Taunton, Massachusetts, on the east; east-west through Newport on the south; and the Connecticut-Rhode Island state line on the west.

South Carolina

13 521 Greenville — Greenville County — Spartanburg County

Tennessee

13 517 Chattanooga — Bradley County — Hamilton County — Marion County — Sequatchie County — Catoosa County, Georgia — Dade County, Georgia — Murray County, Georgia — Walker County, Georgia — Whitfield County, Georgia.
 13 518 Knoxville — Grainger County — Jefferson County — Knox County — Sevier County.
 8 515 Memphis — Shelby County — West Memphis, Arkansas — city limits — Desoto County, Mississippi.
 8 516 Nashville — Davidson County
 13 519 Oakridge — Anderson County — Loudon County

Texas

3 161 Austin — city limits
 3 160 Dallas — Dallas County
 6 268 El Paso — El Paso County
 3 158 Ft. Worth — Tarrant County
 3 155 Houston — city limits
 6 156 Lubbock — city limits
 3 157 San Antonio — city limits

Utah

7 264 Salt Lake City — Salt Lake County

Virginia

12 506 Richmond — that area within the intersections of lines drawn east-west through the intersection of Rtes. 54 and 95, north-south through the intersection of Rtes. 360 and 30, east-west through the southern city limits of Petersburg, and north-south through the junction of Rtes. 522 and 64.

Washington

1 108 Seattle — ten miles on either side of highway 5 from the northern King County line to the southern King County line.

Wisconsin

5 213 Kenosha — Kenosha County
 5 209 Madison — Dane County — Sauk County
 5 208 Milwaukee — Milwaukee County — Ozaukee County — Washington County — Waukesha County
 5 214 Racine — Racine County
 5 215 Stevens Point — Portage County — Wood County
 5 216 Wausau — Marathon County

SORBUS PRIOR APPROVAL REQUIRED AREAS

Alabama

13 532 Huntsville — city limits
 13 542 Montgomery — city limits
 13 527 Mobile — city limits

California

1 110 Chico — Butte County
 1 113 Fresno — city limits
 1 114 Livermore — city limits
 1 118 Monterey — Monterey south to Carmel Highlands, Rte. 1 east to Gonzales, Tr. 101; north to Hollister; west to Moss Landing.
 2 137 Santa Barbara — that area bounded by a line beginning in the west at the Pacific Coast and proceeding directly north to Goleta; then directly east to Ojai, including the city limits of Santa Barbara; then southeast to the eastern city limits of

Oxnard; directly south to the Pacific Ocean, northwest along the Pacific Coast to the point of origin.

1 109 Stockton — ten miles each side of highway 99 with the north end defined as highway 12 and south end defined as the south city limits of Modesto.

Colorado

7 277 Colorado Springs — city limits

Connecticut

9 425 Danbury — city limits
 9 424 Southeastern Connecticut — that area falling within the corridor ten miles either side of a line drawn between New Haven and New London, but not including those two cities.
 9 426 Waterbury/Naugatuck — Naugatuck — city limits, Waterbury — city limits

SORBUS PRIOR APPROVAL REQUIRED AREAS (Continued)

Florida

13 530 Jacksonville – Duval
 13 533 Orlando – Orange County
 13 528 Cocoa Beach/Melbourne – Brevard County
 13 534 Pensacola – Escambia County

Georgia

13 531 Macon – Bibb County

Hawaii

6 136 Honolulu – Honolulu County

Illinois

5 228 Moline/Rock Island – Rock Island County – Henry County – Whiteside County
 5 223 Rockford – Boone County – Winnebago County

Indiana

5 227 Anderson – Delaware County – Madison County
 4 184 Ft. Wayne – Allen County

Iowa

5 229 Ames – city limits
 5 228 Davenport – Scott County – Clinton County – Muscatine County
 5 224 Des Moines – Polk County

Louisiana

3 166 Monroe – city limits
 3 159 Shreveport – city limits

Massachusetts

9 427 Pittsfield – city limits

Michigan

14 555 Ann Arbor – city limits
 14 554 Battlecreek – city limits
 14 549 Flint – city limits
 14 556 Kalamazoo – city limits
 14 553 Lansing – city limits
 14 558 Saginaw – city limits

Minnesota

5 225 Duluth – city limits of: Cloquet – Duluth – Proctor – Scanlon – Superior, Wisconsin

Nevada

2 279 Boulder City – city limits
 2 280 Henderson – city limits
 1 115 Reno – the city limits of Reno and Sparks plus ten miles each side of highway 395 from Reno to the south side of the Carson City city limits.

New Hampshire

9 423 Concord – Hillsborough County, east of Rte. 114 and north of Rte. 93 – Merrimack County, south of Rte. 11 and east of Rte. 114.

New Mexico

6 282 Bernalillo – city limits
 6 292 Roswell – city limits plus Industrial Air Center

New York

9 434 Amsterdam – city limits
 9 429 Binghamton – city limits
 9 430 Elmira – city limits
 9 419 Glens Falls – city limits
 9 422 Ithaca – city limits
 9 433 Rome – city limits
 9 420 Saratoga Springs – city limits
 9 428 Utica – city limits

North Carolina

13 544 Concord/Kannapolis – city limits
 13 539 Monroe – city limits
 13 540 Statesville – city limits

Ohio

14 551 Bowling Green – city limits
 14 559 Findlay – city limits
 14 552 Toledo – Lucas County
 14 576 Youngstown – Mahoning County – Lawrence County, Pa. – Mercer County, Pa., only that portion which is both south of Rte. 358 and west of Rte. 79.

Oregon

1 116 Eugene – city limits – Trumbull County, South of Rte. 305

Pennsylvania

11 490 Erie – Crawford County – Erie County
 11 492 Scranton – city limits
 11 493 Wilkes-Barre – city limits

South Carolina

13 538 Columbia – Lexington County – Richland County
 13 529 Rock Hill – York County

Texas

3 162 Corpus Christi – city limits
 3 163 Killeen – city limits
 3 164 Waco – city limits

Utah

7 283 Ogden – Weber County
 7 284 Provo – Utah County

Virginia

12 507 Norfolk – that area within the intersection of lines drawn east-west through Yorktown, north-south through Smithfield, east-west through the intersection of Rtes. 17 and 64, and the Atlantic Coast.
 12 511 Roanoke – that area within the intersection of lines drawn east-west through Buchanan, north-south along Rte. 122, east-west through Rocky Mount, and north-south through Blacksburg.

Washington

1 119 Everett – city limits
 1 117 Olympia – city limits
 1 130 Spokane – city limits
 1 120 Tacoma – city limits

West Virginia

14 578 Parkersburg – Jackson County, north of U.S. 33 – Pleasants County – Wood County – Washington County, Ohio

Wisconsin

5 230 Appleton – Brown County – Outagamie County
 5 234 Beloit/Janesville – Rock County
 5 236 Oshkosh – Winnebago County

APPENDIX C: SORBUS CONTRACTS



MICROPRODUCTS Maintenance Agreement

Sorbus Service Division Office:

Shaded area for MAI/Sorbus use only					
	Customer No.	MAI Sorbus ID No.	A.O.	V/C	
Customer Reference No.		Ref. No. - P/P Expir. Date	P/P		
Cust. Instl. Ref. No.		Contract Date	Contract Expir. Date		
R	D	T	S/A	Tax	Geographic Codes

Customer Name _____

Street Address _____

City, State, ZIP _____

Mo. Initial Purchase Maintenance Standard Monthly Maintenance

Equipment Location:

Company Name _____ Effective Date _____

Street Address _____ Phone No. _____

City, State, ZIP _____ County _____

Management Assistance Inc., through its Sorbus Service Division ("Sorbus"), by its acceptance hereof, agrees to provide remedial maintenance service for the equipment and features listed below ("Equipment"), in accordance with the following terms:

MAI/ Sorbus Type	Mfr Serial No.	Model	S C	Feature No	Feat. Qty	Init. Purchase Maintenance Service Chg.	Standard Monthly Maint. Chg.	WM/SB	Type	Mfg.
Tax at _____ % \$ _____										
Init. Purchase Maint. Service Chg. \$ _____										
Total Std. Monthly Maint. Chg. \$ _____										
Comments _____										

Do travel expenses apply?

Yes No

Are Continuation Sheets
attached?

Yes No

Sorbus Service Period
8:00 A.M. - 5:00 P.M. Monday through Friday,
excluding legal holidays Hours Code A

1. Term of Agreement — This Agreement shall commence on the Effective Date and shall remain in effect for the period indicated on the face of the Agreement for Initial Purchase Maintenance Service. For Standard Monthly Maintenance, the Agreement shall have an initial term of one (1) year from the Effective Date and may be terminated during the initial term by either party giving three (3) months' prior written notice. Either party may terminate this Agreement at the end of such initial term or at any time thereafter, provided one (1) month's prior written notice is received.

2. Charges — The Initial Purchase Maintenance Service Charges provided for in this Agreement commence on the Effective Date appearing on Page 1 and must be payable in advance. The Standard Monthly Maintenance Charges cited on the face of this Agreement will be invoiced as of the first day of each calendar month. Payment of Standard Monthly Maintenance Charges will be made in full within 30 days after the date of invoice. All other charges hereunder are payable as specified in the applicable invoice for such charges. If customer defaults in the payment of any invoice, Sorbus may upon notice, modify the payment terms set forth herein, in addition to other remedies. Charges for a partial month's service will be prorated on the basis of a 30 day month.

All charges specified are those currently in effect and are subject to change by Sorbus upon 90 days' notice, other than for Initial Purchase Maintenance Service Charges which are payable in advance and shall remain unchanged during the Initial Purchase Maintenance Service Period. If the Standard Monthly Maintenance Charges are increased, the customer may, on the effective date of such increase, terminate this Agreement, or withdraw from service any item of Equipment thereto affected upon 30 days' prior written notice, otherwise, the new charge shall become effective upon the date specified in the notice. There shall be added to the charges due hereunder an amount equal to all taxes, however designated, levied, or based on such charges or on this Agreement, or on the services rendered or parts supplied pursuant thereto, including state and local privilege or excise taxes based on gross revenue, and any taxes or amount in lieu thereof paid or payable by Sorbus in respect of the foregoing, exclusive, however, of taxes based on net income.

3. Sorbus Service Period — Sorbus shall provide remedial maintenance service, as defined in Clause 4, and is hereinafter within Sorbus' normal working hours (8:00 A.M. to 5:00 P.M., Monday through Friday, except legal holidays).

4. Scope of Sorbus Maintenance Service — Sorbus will render maintenance service to keep the Equipment in, or restore the Equipment to, good working order. This maintenance service includes unscheduled, on-call remedial maintenance. Maintenance will include lubrication, adjustments and replacement of maintenance parts deemed necessary by Sorbus. Maintenance parts, which will be new or reconditioned to perform as new, will be furnished on an exchange basis, and the exchanged parts will become the property of Sorbus. Maintenance service provided under this Agreement does not assure uninterrupted operation of the Equipment.

5. Exclusions From Sorbus Maintenance Service — The following services, inclusive of replacement of maintenance parts, are outside the scope of Sorbus maintenance service provided hereunder:

- (a) electrical work external to the Equipment;
- (b) maintenance of accessories, alterations, attachments, or other devices which are not within the Equipment manufacturer's product line, or which are not then serviced by Sorbus in the designated Sorbus Serviceable Area;
- (c) repair of damage or incident in service time due to any cause external to the Equipment adversely affecting its operability or

serviceability which shall include, but not be limited to, fire, flood, water, wind, lightning and transportation, or due to neglect or misuse.

(d) repair of damage or increase in service time caused by failure to continually provide a suitable installation environment including, but not limited to, the failure to provide adequate electrical power, air conditioning or humidity control, or customer's improper use, management or supervision of the Equipment, including, without limitation, the use of supplies, disc packs and cartridges;

(e) repair of damage or increase in service time caused by the use of the Equipment for purposes other than for which it is designated;

(f) furnishing plates, supplies or accessories, painting or refinishing the machines or furnishing material, therefore, making specification changes or performing services connected with relocation of Equipment, or adding or removing approved accessories, attachments or other devices except as set forth herein;

(g) such service which is impractical for Sorbus field engineers to render because of alterations in the Equipment or their connection by mechanical or electrical means to another machine or device; and

(h) systems engineering services, programming and operational procedures of any sort.

The replacement of maintenance parts such as cathode ray tubes is limited to "failure" of such parts and does not include such occurrences as burnt phosphor or the CRT screen.

6. Other Services Available to Customer — Upon customer's request, the rendition of services outside the scope of Sorbus maintenance service will be within the discretion of Sorbus and, if performed, will be at the applicable Sorbus per call rates and terms then in effect.

7. Access to Equipment — Customer will provide Sorbus with full and free access to the Equipment and a safe place in which to perform such service. If persons other than Sorbus field engineers repair, modify or perform any maintenance service on any item of Equipment covered by this Agreement, and as a result thereof, any maintenance service by Sorbus is required to restore the Equipment to good operating condition and Sorbus serviceable condition, such maintenance service will be made at the applicable Sorbus per call rates and terms then in effect.

8. Disclaimer, Customer's Responsibilities, Sorbus' Obligations Under This Agreement and In Lieu of All Warranties, Express or Implied, Sorbus Will Not Be Liable for Special, Indirect, Consequential or Damages, Arising Out of or in Connection With This Agreement or the Maintenance Service Performed Hereunder.

It is the responsibility of the customer to ensure that all of its parts are adequately duplicated and documented. Sorbus will not be responsible for customer's failure to do so, nor for the cost relating to the subject matter of this Agreement.

of reconstructing data stored on disc files, tapes, memories, etc., lost during the course of performance of maintenance service.

9. General — Sorbus reserves the right to adjust the specified monthly charges if the Equipment specifications, attachments or features of any item of Equipment are changed after the date hereof.

Sorbus is not responsible for any failure to render service due to strikes or causes reasonably beyond its control.

The Customer represents that he is the owner of the Equipment subject to this Agreement or, if not the owner, that he has the authority to enter into this Agreement.

Sorbus may upon giving prior notice to the customer, assign this Agreement and Sorbus' rights hereunder, to any parent, subsidiary or affiliate thereof. This Agreement is not assignable by customer without the prior written consent of Sorbus and any attempted assignment without prior written consent shall be void. Either party may terminate this Agreement at any time for failure of the other to comply with any of its terms and conditions. Sorbus reserves the right to terminate maintenance service immediately in the event customer is in default under any agreement with Sorbus or any of its affiliated companies. This Agreement will terminate immediately and all charges due hereunder will become immediately due and payable in the event that customer makes an assignment for the benefit of creditors, or a voluntary or involuntary petition is filed by or against customer under any law having for its purpose the adjudication of customer as bankrupt or the reorganization of customer.

Any notice or other communication given hereunder shall be in writing and mailed, if to Sorbus, to the address of Sorbus' Office shown on the face of this Agreement, and if to the customer, to the address of the customer shown on this Agreement or to such other address as such party shall have therebefore designated by notice in writing. Any such notice, if mailed properly addressed and postage prepaid, shall be deemed given when deposited in the United States mail.

This Agreement shall be governed by the laws of the State of New York and constitutes the entire Agreement between Sorbus and the customer with respect to the furnishing of Sorbus maintenance service. No provision of this Agreement shall be deemed waived, amended, or modified by either party unless such waiver, amendment or modification be in writing signed by the party against whom it is sought to enforce the waiver, amendment or modification.

The foregoing terms and conditions shall prevail notwithstanding any variance with the terms and conditions of any order submitted by the customer for the repair or maintenance of the Equipment.

Customer acknowledges that it has read this Agreement, understands it, and agrees to be bound by its terms and conditions. Further, customer acknowledges that this Agreement is the complete and exclusive statement of the agreement between the two parties which supersedes all proposals or prior agreements, oral or written, and all other communications between the parties relating to the subject matter of this Agreement.

Accepted by

Management Assistance Inc.,
Sorbus Service Division

BY: _____
Title: _____
DATE: _____

(Customer's full legal name)

BY: _____
Officer's Title: _____
DATE: _____



**Maintenance Agreement
for
IBM Manufactured Equipment**

Sorbus Service Division District Office:

Customer Name & Address:

Shaded area for MAI/Sorbus use only					
	Customer No.	MAI/Sorbus ID No.	A.D.	V/C	
Customer Reference No.		Ref. No. - P/P Expir. Date	P/P		
Cust. Instl. Ref. No.		Contract Date	Contract Expir. Date		
R	D	T	S/A	Tax	Geographic Codes

Effective Date _____

Location of Equipment:

Company Name _____ Dept. Name _____

Street Address _____ City _____ State _____ ZIP Code _____ Phone No. _____

Management Assistance Inc., through its Sorbus Service Division ("Sorbus"), by its acceptance hereof, agrees to provide remedial and preventive maintenance service for the equipment and features listed below ("Equipment") in accordance with the following terms:

Hrs. Cd	MAI/ Sorbus Type	Mfr. Serial No.	Model	S.C.	Feature No.	Feat. Qty.	Unit Minimum Monthly Maint. Charge	Extended Monthly Charge		WM/SB	Type	Name	E/C Gr.
Travel Mileage		Travel Surcharge		Total Monthly Charges									
Comments or Special Instructions:													

Feature
Change Request (V)

Are Continuation
Sheets Attached
Yes No

Period of Maintenance Service Availability							
% Coverage	Hrs. Code	Monday-Friday		Saturday		Sunday	
		From	To	From	To	From	To
	1						
	2						
	3						

S-1190-0 1/83

Term of Agreement. This Agreement shall commence on the Effective Date and shall remain in effect for a period of 2 months. This Agreement shall continue from month to month after the expiration of the initial term unless terminated by either party upon 30 days prior notice. This Agreement shall be terminable by either party during the initial term upon not less than 30 days prior notice.

Charges. The minimum monthly maintenance charges provided for in this Agreement, commencing on the Effective Date of this Agreement, will be invoiced as at the first day of each calendar month, payment will be made within 30 days after the date of invoice. All other charges (hereinafter referred to as "variable") as specified in the quote shall be invoiced on a monthly basis, and shall be payable by the customer at the date of invoice. If customer is delinquent in the payment of any invoice, Sorbus may upon notice, modify the payment schedule for a partial month's service will be prorated on the basis of a 30 day month.

If charges specified are those currently in effect and are subject to change by Sorbus upon 90 days prior notice the charges are increased, the customer may, on the effective date of such increase, terminate this Agreement if withdrawn from service, any item of Equipment thereby affected upon 30 days prior notice, otherwise, the new charge shall become effective upon the date specified in the notice.

There shall be added to the charges due hereunder an amount equal to all taxes, however designated, levied, or imposed on this Agreement, or on the services rendered or performed, or on the services rendered or supplied pursuant hereto, and on the amount of excise taxes based on gross revenue.

5. Other Services Available to Customer. Upon customer's request, the rendition of services outside the scope of Sorbus maintenance service will be within the discretion of Sorbus and, if performed, will be at the applicable Sorbus per call rates and terms then in effect.

6. Access to Equipment. Customer will provide full and free access to the equipment and a safe place in which to perform monthly or interim any maintenance service on any item of equipment covered by this Agreement, and as a result thereof, any maintenance service by Sorbus is required to restore the equipment to good operating condition and Sorbus services condition, such maintenance service will be made at the applicable Sorbus per call rates and terms then in effect.

7. Additional Equipment. Additional items of equipment will be made subject to this Agreement upon execution by a duly authorized representative of the customer and acceptance thereof by Sorbus of (a) the customer's purchase order or (b) Sorbus' form of acknowledgement or (c) a letter of acknowledgement of equipment, with state the location the additional item of equipment will be used, the type model, serial number, periods of service, and local privilege of excise taxes based on gross revenue.

any fees or amount in lieu thereof paid or payable by Sorbus in respect of the foregoing, exclusive, however, to fees based on net income

Scope of Sorbus Maintenance Service — Sorbus will render maintenance service to keep the Equipment in or restore the Equipment to usual working order. This maintenance service includes scheduled preventive maintenance, based upon the specific needs of the individual item of equipment as determined by Sorbus, and unscheduled, on-call remedial maintenance. Maintenance will include lubrication, adjustment and replacement of maintenance parts (parts cleaned, new or reconditioned to perform as new), will be furnished on an exchange basis, and the exchanged parts will become the property of Sorbus. Maintenance service provided under this Agreement does not assure uninterrupted operation of the Equipment. If maintenance service is required by a customer to be performed outside the period selected by a customer, such service will be provided at the original rate of Sorbus per call rates and terms then in effect.

B. Periods of Maintenance Service Availability The minimum monthly maintenance charge described herein entitles the customer to weekday maintenance service availability during the portion of 11 consecutive hours between the hours of 7:00 A.M. and 8:00 P.M. daily Monday through Friday except legal holidays referred to hereafter as Sorbus' normal working hours.

The customer may select for an additional charge on a monthly basis other such service during hours of availability for which Sorbus offers such service, additional hours of maintenance service availability as shown on the line of this Agreement; however, such optional periods shall also include legal holidays and must include Sorbus' normal working hours.

Scheduled preventive maintenance will be included within Sorbus' normal working hours. If the customer requests preventive maintenance at times outside of Sorbus' normal working hours, Sorbus will charge at the per call rates then in effect.

C. Exclusions From Sorbus Maintenance Service The following services furnished by Sorbus are excluded from the

11. Installation and Control of Engineering and Safety Changes — Sorbus will control and install all engineering changes in units necessary to equipment covered by this Agreement unless otherwise requested by the customer in writing. There will be no charges for such engineering changes.

Sorbus will control and install, without charge, all safety devices in units incidentally to the customer's request to permit installation of a safety change, or removes a safety change already installed. Sorbus may, at its option, discontinuouse providing maintenance service until the hazard has been corrected.

If the customer requests installation of engineering changes, including safety changes, at times other than during Sorbus' normal working hours, Sorbus reserves the right to charge for such service at the applicable Sorbus user rate and terms.

12. Disclaimers; Customer's Responsibilities - SORBUS' OBLIGATIONS UNDER THIS AGREEMENT ARE IN LIEU OF ALL WARRANTIES, EXPRESS OR IMPLIED. SORBUS WILL NOT BE LIABLE FOR SPECIAL, INDIRECT OR CONSEQUENTIAL DAMAGES ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR THE MAINTENANCE SERVICE PERFORMED HEREUNDER.

It is the responsibility of the customer to ensure that all of its files are adequately duplicated and documented. SORBUS will not be responsible for customer's failure to do so, nor for the cost of reconstructing data stored on disc files, unless maintained by SORBUS. **During the course of performance of maintenance service**

13. General. Sorbus reserves the right to adjust the specified monthly charges for the Equipment specifications, attachments or features of any item of equipment **are changed after the date hereof.**

Sorbus is not responsible for any failure to render service due to strike or labour reasonably beyond its control.

The customer represents that it is the owner of the equipment subject to this Agreement or, if not the owner, that it has the authority to enter into this Agreement.

Sorbus may, upon giving prior notice to the customer, assign this Agreement and/or Sorbus' rights hereunder, to any person.

Management Assistance Inc.,
Salem, Oregon
Approved by

BY SOLIDS SOURCE DOWNTURN

TITLE _____

subsidiary or affiliate thereof. This Agreement is not assignable by customer without the prior written consent of Sorbus and any attempted assignment without prior written consent shall be void.

Either party may terminate this Agreement at any time for failure of the other to comply with any of its terms and conditions. Sorbus reserves the right to terminate maintenance services immediately in the event customer is in default under any agreement with Sorbus or any of its affiliated companies. This Agreement will terminate immediately and all charges due hereunder will become immediately due and payable in the event that customer makes an assignment for the benefit of creditors, or a voluntary or involuntary proceeding is filed by or against customer under any law having for its purpose the adjudication of customer's bankruptcy or the reorganization of customer.

Any notice or other communication given hereunder shall be in writing and mailed to **Surbas**, to the address of **Surbas** District Office, shown on the face of this Agreement, and to the customer, to the address of the customer shown on this Agreement or to such other address as such party shall have theretofore designated by notice in writing. Any such notice, if mailed properly addressed and postage prepaid, shall be deemed given when deposited in the United States mail.

This Agreement shall be governed by the laws of the State of New York and constitutes the entire Agreement between Surbas and the customer with respect to the furnishing of Surbas maintenance service. No provision of this Agreement shall be deemed waived, amended or modified by either party unless such waiver, amendment or modification be in writing signed by the party against whom it is sought to enforce the waiver, amendment or modification.

The foregoing terms and conditions shall prevail notwithstanding any variance with the terms and conditions of any order submitted by the customer for the repair or maintenance of the Equipment.

Customer acknowledges that it has read this Agreement, understands it, and agrees to be bound by its terms and conditions. Further, customer acknowledges that this Agreement is the complete and exclusive statement of the agreement between the parties, which supersedes all previous or prior agreements, oral or written, and all other communications between the parties relating to the subject matter of this Agreement.

Accepted by	BY _____	OFFICER'S TITLE _____
<p>(Customer's Full Legal Name)</p> <hr style="width: 100%; border: 0; border-top: 1px solid black; margin: 5px 0;"/>		

INPUT
ZGE1



Depot Service Agreement

Sorbus Service Division District Office:

Shaded areas for MAI/Sorbus use only					
	Customer No.	MAI/Sorbus ID No.	A.D.	P/C	
Customer Reference No.					
Cust. Instl. Ref. No.		Contract Date	Contract Expir. Date		
R	D	T	S/A	Tax	Geographic Codes

Customer Name & Address:

Effective Date _____

Company Name _____ Dept. Name _____

Street Address _____ City _____ State _____ ZIP Code _____ Phone No. _____

Management Assistance Inc., through its Sorbus Service Division ("Sorbus"), by its acceptance hereof, agrees to provide Depot Service for the equipment and features listed below ("Equipment") in accordance with the following terms:

MAI/ Sorbus Type	Mfr. Serial No.	EDPE System	Mfr. Type	Mfr. Model	Mfr. Name			Feature No.	Feat. Qty.	Maintenance Charge	Annual Charge
Comments											
											TOTAL CHARGES

1. Term of Agreement

This Agreement shall commence on the Effective Date and will have an initial term of one (1) year ("Initial Term"). This Agreement will continue from year to year after the expiration of the Initial Term. Sordus and Customer will have the right to terminate this Agreement as of the end of the Initial Term or as of the end of any subsequent annual renewal upon not less than thirty (30) days' prior written notice.

2. Charges

The maintenance charge provided for in this Agreement, commencing on the Effective Date, must be payable in advance on an annual basis. Invoicing and payment thereafter will occur annually no later than the anniversary of the Effective Date of this Agreement. Payment will be made in full within thirty (30) days after the date of renewal invoice. All other charges hereunder are payable as specified in the applicable invoice for such charges. All charges specified are those currently in effect and are subject to change by Sordus upon thirty (30) days prior notice. Maintenance charges shall remain unchanged during the Initial Term and are subject to change annually thereafter on the anniversary date, upon thirty (30) days' written notice.

3. Taxes

There shall be added to the charges due hereunder an amount equal to all taxes, however designated, levied, or based on such charges or on this Agreement, or on the services rendered or parts supplied pursuant hereto, including state and local privilege or excise taxes based on gross revenue, and any taxes or amount in lieu thereof paid or payable by Sordus in respect of the foregoing, exclusive, however, of taxes based on net income.

4. Scope of Sordus Depot Service

Depot Service shall include the repair and replacement of maintenance parts, which Sordus deems necessary to restore the Equipment to good working order. For purposes of this Agreement, Equipment restored to good working order shall be defined as Equipment that will perform all functions as prescribed in the manufacturer's published specifications for such Equipment as originally manufactured. It does not, however, assure uninterrupted operation of the Equipment.

Maintenance parts, which will be new or reconditioned to perform as new, will be furnished on an exchange basis, and the exchanged parts will become the property of Sordus.

The Customer represents and warrants that the Equipment covered by this Agreement is in good working order, as of the Effective Date of this Agreement, and Sordus reserves the right, at its sole option, to inspect the Equipment prior to acceptance of Equipment for Depot Service.

5. Exclusions From Sordus Depot Service

The following activities fall outside the definition of Depot Service provided hereunder:

- (a) repair or replacement work or increase in service time as a result of damage or loss resulting from accident, casualty, transportation, neglect, misuse or abuse, damage resulting from improper packing and/or failure to follow prescribed shipping instructions, failure of electrical power, air conditioning or humidity control, use of supplies not approved by the original manufacturer of the Equipment or causes other than ordinary prudent use for the purposes for which the Equipment was designed;
- (b) furnish oilants, supplies or accessories, painting or refinishing the Equipment or furnishing material therefor, making specification or engineering changes and adding or removing accessories, attachments or other devices;
- (c) service or increase in service time resulting from or which is impractical for Sordus to render because of any adjustment, repair, maintenance, alteration, attachment, addition or connection to another machine or device or any attempt toward any such ends unless Sordus has agreed in writing to such action;
- (d) activity required to restore Equipment to good operating condition, if resulting from persons other than Sordus Service Representatives repairing, modifying or performing any maintenance service on any Equipment;
- (e) service to any Equipment to which a safety change is necessary to avoid a hazard; and
- (f) service to bring any Equipment into compliance with any law, rule or regulation or any government authority having jurisdiction or any provision of any applicable insurance policy, or service to correct any safety or health hazard.

The replacement of maintenance parts such as cathode ray tubes is limited to "failure" of such parts and does not include such occurrences as burnt phosphor or the CRT screen.

Equipment received with no trouble found shall be subject to a charge for inspection at the prevailing rate for such Equipment.

6. Shipping Charges

All Equipment returned to Sordus Depot Repair Center(s), if delivered by Customer, shall be presented during Sordus' normal working hours, and if shipped by Customer it shall be shipped freight prepaid and packed utilizing the original manufacturer's container and packing material, or its equivalent. Sordus shall bear the expense of shipment of Equipment returned to Customer upon completion of Depot Service.

7. Time and Materials Service

Time and Materials Service is available to cover those services which fall outside the definition of Depot Service.

Time and Materials Service is billed on a usage basis, which includes labor reimbursement at Sordus' hourly rates then in effect, and replacement parts which are furnished at Sordus' list prices then in effect, on an exchange basis.

In those instances in which Equipment requires services which fall outside the definition of Depot Service, Customer shall be so notified. Upon authorization from Customer to proceed, Sordus shall provide necessary repairs, or at the Customer's option, return the Equipment to Customer subject to an inspection charge as stipulated in Section 5.

8. Disclaimers; Customer's Responsibilities

SORDUS' OBLIGATIONS UNDER THIS AGREEMENT ARE IN LIEU OF ALL WARRANTIES, EXPRESS OR IMPLIED. SORDUS WILL NOT BE LIABLE FOR SPECIAL, INDIRECT OR CONSEQUENTIAL DAMAGES, ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR THE DEPOT SERVICE PERFORMED HEREUNDER.

9. General

Sordus is not responsible for any failure to render service due to strikes or causes reasonably beyond its control.

The Customer represents that it is the owner of the Equipment subject to this Agreement or, if not the owner, that it has authority to enter into this Agreement.

Sordus may, upon giving prior notice to the Customer, assign this Agreement and Sordus' rights hereunder, to any parent, subsidiary or affiliate thereof. This Agreement is not assignable by Customer without the prior written consent of Sordus and any attempted assignment without prior written consent shall be void.

Either party may terminate this Agreement at any time for failure of the other to comply with any of its terms and conditions. This Agreement will terminate immediately and all charges due hereunder will become immediately due and payable in the event that Customer makes an assignment for the benefit of creditors, or a voluntary or involuntary petition is filed by or against customer under any law having for its purpose the adjudication of Customer a bankrupt or the reorganization of Customer.

Any notice or other communication given hereunder shall be in writing and mailed, if to Sordus, to the address of Sordus' Depot Repair Center shown on the face of this Agreement, and if to the Customer, to the address of the Customer shown on this Agreement or to such other address as such party shall have theretofore designated by notice in writing. Any such notice, if mailed properly addressed and postage prepaid, shall be deemed given when deposited in the United States mail.

This Agreement shall be governed by the laws of the State of New York and constitutes the entire Agreement between Sordus and the Customer with respect to the furnishing of Sordus' Depot Service. No revision of this Agreement shall be deemed waived, amended or modified by either party, unless such waiver, amendment or modification is in writing signed by the party against whom it is sought to enforce the waiver, amendment or modification.

The foregoing terms and conditions shall prevail notwithstanding any variance with the terms and conditions of any order submitted by the Customer for the repair or maintenance of the Equipment.

Customer acknowledges that it has read this Agreement, understands it, and agrees to be bound by its terms and conditions. Further, Customer acknowledges that this Agreement is the complete and exclusive statement of the agreement between the parties, which supersedes all proposals or prior agreements, oral or written, and all other communications between the parties relating to the subject matter of this Agreement.

Accepted by: _____

MANAGEMENT ASSISTANCE INC.,
Sordus Service Division

BY _____

TITLE _____

DATE _____

Accepted by: _____

(Customer's Full Legal Name)

BY _____

TITLE _____

DATE _____



UPTIME™ Rider To Maintenance Agreement For Service of BASIC FOUR® Computer Systems

Sorbus Service Division District Office:

Customer Name _____

Street Address _____

City, State, ZIP _____

Equipment Location:

Company Name _____ Effective Date _____

Street Address _____ Phone No. _____

City, State, ZIP _____ County _____

With reference to Management Assistance Inc. (Sorbus Service Division) Agreement, dated as of the _____ day of _____, 19_____,

Shaded area for MAI/Sorbus use only					
	Customer No.	MAI/Sorbus ID No.	A.D.	P.C.	
Customer Reference No. _____					
Cust. Instl. Ref. No. _____		Contract Date _____	Contract Exoir. Date _____		
R	D	T	S/A	Tax	Geographic Codes _____

UPTIME™ Serial No. _____

Management Assistance Inc., through its Sorbus Service Division ("MAI"), hereby agrees with the customer described above ("Customer") as follows:

MAI grants for no charge to Customer a non-exclusive license to use the UPTIME™ System provided by MAI with Equipment described in the Maintenance Agreement for Basic Four® Computer Systems to which this rider is incorporated by reference solely for Customer's own use for Customer data processing operations on the Equipment. The "UPTIME™ System" shall be defined as diagnostic firmware, related documentation and media.

MAI shall at no charge to the Customer provide support for the UPTIME™ System, "support" being defined as repair of defects identified by MAI. Either party can demand removal of the UPTIME™ System at any time.

Customer (1) agrees that title to all rights and interests in the UPTIME™ System, wherever resident, remains with MAI; (2) shall treat the UPTIME™ System as confidential information which is proprietary to MAI by not making any part thereof available to others; and (3) shall promptly return to MAI all materials associated with the UPTIME™ System upon termination of this license.

Accepted by: MANAGEMENT ASSISTANCE INC.,
Sorbus Service Division

Accepted by: _____
(Customer's Full Legal Name)

By _____

Title _____ Date _____ Title _____ Date _____



Time & Materials Maintenance Service Agreement

Sorbus Service Division District Office:

Customer Name _____

Street Address _____

City, State, ZIP _____ Effective Date _____

Shaded areas for MAI/Sorbus use only				
	Customer No.	MAI/Sorbus ID No.	A.D.	P/C
Customer Reference No.				
Cust. Instl. Ref. No.		Contract Date	Contract Expir. Date	
R	D	T	S/A	Tax Geographic Codes

Management Assistance Inc., through its Sorbus Service Division (hereinafter referred to as "Sorbus") by its acceptance of this Agreement agrees to provide and the Customer agrees to accept, on the following terms and conditions, Time & Materials Maintenance Service on Equipment shown on the attached Addendum to Time & Materials Maintenance Service Agreement.

1. Term of Agreement

This Agreement shall have an initial term of one (1) year commencing on the effective date stated in the Addendum to Time & Materials Maintenance Service Agreement attached hereto, and shall continue from month to month after the expiration of the initial term unless terminated by either party upon one (1) month's prior written notice. This Agreement may be terminated during the initial term by giving three (3) months' prior written notice.

Any item of Equipment may be withdrawn from this Agreement by either party at any time, upon one (1) month's prior written notice.

Sorbus may, at its option, immediately terminate this Agreement for payment delinquency.

2. Scope of Sorbus Service

Sorbus Time & Materials Maintenance Service ("Service") consists of on-call maintenance, including replacement of unserviceable parts, which will be supplied to Customer at list price. Maintenance parts, which will be new or reconditioned to perform as new, will be furnished on an exchange basis, and the exchanged parts will become the property of Sorbus.

In response to each request for Service, Sorbus will dispatch, when available, a Service Representative who has been trained to service the particular Equipment involved.

3. Charges

Sorbus' hourly rates as set forth in the attached Addendum to Time & Materials Maintenance Service Agreement will be charged for all Service.

Service requested hereunder is subject to a two (2) hour minimum including travel time.

All rates and terms are subject to change upon three (3) months' prior written notice. If the rates are increased, the Customer may, on the effective date of such change, terminate this Agreement or withdraw from Service any item of Equipment affected, by delivering one (1) month's prior written notice, otherwise, the new rates shall become effective upon the date specified in the notice.

4. Travel Expenses

Sorbus will charge the Customer for travel time and expenses, at Sorbus' then current rates, as may be incurred in responding to each call for Service.

5. Taxes

There shall be added to the charges due hereunder an amount equal to any taxes, however designated, levied or based on such charges or on this Agreement, or on the services rendered or parts supplied pursuant hereto, including state and local privilege or excise taxes based on gross revenue, and any taxes or amounts in lieu thereof paid or payable by Sorbus in respect of the foregoing, exclusive, however, of taxes based on net income.

6. Payment

Charges hereunder will be invoiced monthly and payment shall be made in full upon presentation of invoice.

7. Engineering Safety Requirements

All features and modifications required for the safety of Sorbus Service Representatives are to be installed on all Equipment serviced by Sorbus. Sorbus reserves the right to refuse Service on Equipment which does not contain required safety features or has been altered or attached to other Equipment in a manner judged to be hazardous by Sorbus.

8. Additional Equipment

Additional items of Equipment shall be made subject to this Agreement upon execution by a duly authorized representative of the Customer and acceptance thereof by Sorbus or an Addendum to SORBUS INC. Time & Materials Maintenance Service Agreement. The aforesaid Addendum will state the location of the additional items of Equipment, the type, model, serial number, the effective date of the commencement of Service for such Equipment, and the hourly rate.

9. Materials Utilized

All direct materials/parts/components ("Materials") furnished by Sorbus in connection with Service under this Agreement are warranted only to the extent of and by any warranty offered to such Materials by the original equipment manufacturer or supplier.

10. Disclaimers

SORBUS' OBLIGATIONS AND WARRANTIES UNDER THIS AGREEMENT ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, AND OF ALL OTHER OBLIGATIONS OR LIABILITIES FOR DAMAGES, INCLUDING BUT NOT LIMITED TO, CONSEQUENTIAL DAMAGES ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR THE SERVICE PERFORMED HEREUNDER.

11. General

Sorbus is not responsible for any failure to render Service due to strikes or causes reasonably beyond its control.

The Customer represents that it is the owner of the Equipment subject to this Agreement or, if not the owner, that it has authority to enter into this Agreement.

The Customer acknowledges that it has read this Agreement, understands it, and agrees to be bound by its terms and conditions.

Accepted by:

MANAGEMENT ASSISTANCE INC.,
Sorbus Service Division

By _____

Title _____

Date _____

S-1012-B-6 10/80

Sorbus shall be entitled, upon giving prior written notice to Customer, to assign this Agreement and Sorbus' duties hereunder, to its parent or any subsidiary, or affiliate thereof.

This Agreement shall not be assignable by Customer without the prior written consent of Sorbus, and any attempted assignment without such consent shall be void.

Either party may terminate this Agreement at any time for failure of the other to comply with any of its terms and conditions. This Agreement will terminate immediately and all charges due hereunder will become immediately due and payable in the event that Customer makes an arrangement for the benefit of creditors, or a voluntary or involuntary petition is filed by or against Customer under any law having for its purpose the adjudication of Customer a bankrupt or the reorganization of Customer.

Any notice or other communication given hereunder shall be in writing and mailed, if to Sorbus to the address of Sorbus' area office shown on the face of this Agreement, and if to the Customer, to the address of the Customer shown on this Agreement or to such other address as such party shall have theretofore designated by notice in writing. Any such notice or communication if properly addressed and postage prepaid shall be deemed given when deposited in the United States mail.

This Agreement shall be governed by the laws of the State of New York and constitutes the entire agreement between Sorbus and the Customer with respect to the furnishing of Service. No provision of this Agreement shall be deemed waived, amended or modified by either party unless such waiver, amendment or modification be in writing signed by the party against whom it is sought to enforce the waiver, amendment or modification.

The foregoing terms and conditions shall prevail notwithstanding any variance with the terms and conditions of any order submitted by the Customer for Service of the Equipment.

Accepted by:

(Customer's Full Legal Name)

By _____

Officer's Title _____

Date _____

Page 2 of 2



Maintenance Agreement

Sorbus Service Division District Office:

Shaded areas for MAI/Sorbus use only					
	Customer No.	MAI/Sorbus ID No.	A.D.	P/C	
Customer Reference No.					
Cust. Instl. Ref. No.		Contract Date	Contract Expir. Date		
R	D	T	S/A	Tax	Geographic Codes

Customer Name & Address:

Effective Date _____

Location of Equipment:

Company Name _____ Dept. Name _____

Street Address _____ City _____ State _____ ZIP Code _____ Phone No. _____

Management Assistance Inc., through its Sorbus Service Division ("Sorbus"), by its acceptance hereof, agrees to provide remedial and preventive maintenance service for the equipment and features listed below ("Equipment") in accordance with the following terms:

MAI/ Code	Sorbus Type	Mfr. Serial No.	EDPE System	Mfr. Type	Mfr. Model	Mfr. Name	Class	S.C.	Feature No.	Feat. Qty.	Unit No.	Minimum Monthly Maint. Charge	Extended Monthly Charge
Comments													
TOTAL MONTHLY CHARGES													

Do travel expenses apply?

Yes No

Are Continuation Sheets attached?

Yes No

Period Of Maintenance Service Availability									
% Coverage	Code	Monday-Friday		Saturday		Sunday			
		From	To	From	To	From	To		

S-006-12 3/82

1 Term of Agreement — This Agreement shall commence on the Effective Date and shall remain in effect for a period of 12 months. This Agreement shall continue for the initial term unless terminated by either party prior to 30 days' prior notice. This Agreement shall be terminable by either party during the initial term, or not less than 90 days' prior notice.

Any term of this Agreement may be withdrawn from this Agreement by the customer, at any time, upon giving of 30 days' prior notice.

2 Changes — The minimum monthly maintenance charges provided for in this Agreement, commencing on the Effective Date of this Agreement, will be incurred as of the first day of each calendar month. Payment will be made in full within 30 days after the date of invoice. All other charges hereunder are payable as specified in the applicable invoice for such charges. If customer details in the payment of any invoice, Sorbus may upon notice, modify the payment terms set forth herein, in addition to its other remedies. Charges for a partial month's service will be pro-rated on the basis of a 30 day month.

All charges specified are those currently in effect and are subject to change by Sorbus upon 30 days' prior notice. If the charges are increased, the customer may, on the effective date of such increase, terminate this Agreement or, if notified, from service any item of Equipment thereby affected upon 30 days' prior notice, otherwise, the new charge shall become effective upon the date specified in the notice.

There shall be added to the charges due hereunder, an amount equal to all taxes, however designated, levied, or based on such charges or on this Agreement, or on the services rendered or parts supplied pursuant thereto, including state and local privilege or excise taxes based on gross revenue, and any taxes or amounts in lieu thereof paid or payable by Sorbus in respect of this Agreement, exclusive, however, of taxes based on net income.

3 Scope of Sorbus Maintenance Service — Sorbus will render maintenance service to keep the Equipment in, or restore the Equipment to, good working order. This maintenance service includes scheduled preventive maintenance, based upon the specific needs of the individual item of Equipment as determined by Sorbus, and unscheduled, on-call technical maintenance. Maintenance will include lubrication, adjustment and replacement of maintenance parts, which will be new or reconditioned, to perform as new, but furnished on an exchange basis, and the exchanged parts will become the property of Sorbus. Maintenance service provided under this Agreement does not assure uninterrupted operation of the Equipment. If maintenance service is requested by customer to be performed outside the period selected by customer, such service will be provided at the applicable Sorbus per call rates and terms then in effect.

4 Exclusions From Sorbus Maintenance Service — The following services (inclusive of replacement of maintenance provided hereunder):

- electrical work external to the Equipment;
- repair of damage or misuse in service time due to any cause external to the Equipment, adversely affecting its operability or serviceability which shall include, but not be limited to, fire, flood, water, wind, lightning and transportation, or due to neglect or misuse;
- repair or change of misuse in service time caused by failure to continually provide a suitable installation environment including, but not limited to, the failure to provide adequate electrical power, air conditioning, in humidity control, or customer's improper use, management to supervision of the equipment including, without limitation, the use of supplies, disc, packs, and cartridges;
- repair of damage or misuse in service time caused by the use of the Equipment for purposes other than for which it is designed.

Sorbus is not responsible for any failure to render service due to strikes or causes reasonably beyond its control. The customer represents that he is the owner of the Equipment subject to this Agreement or, if not the owner, that he has the authority to enter into this Agreement.

Sorbus may, upon giving prior notice to the customer, assign this Agreement and Sorbus' rights hereunder, to any parent, subsidiary or affiliate thereof. This Agreement is not assignable by customer without the prior written consent of Sorbus and any attempted assignment without prior written consent shall be void.

5 Other Services Available to Customer — Upon customer's request, the rendition of services outside the scope of Sorbus maintenance service will be within the discretion of Sorbus and it performed, will be at the applicable Sorbus per call rates and terms then in effect.

6 Access to Equipment — Customer will provide, with full and free access to the Equipment and a safe place in which to perform such service. If persons other than Sorbus need engineers' repair, modify or perform any maintenance service on any item of Equipment covered by this Agreement, and as a result thereof, any maintenance service by Sorbus is required to restore the Equipment to good operating condition and Sorbus' serviceable condition, such maintenance service will be made at the applicable Sorbus per call rates and terms then in effect.

7 Additional Equipment — Additional items of Equipment will be made subject to this Agreement upon execution by a duly authorized representative of the customer, and acceptance thereto by Sorbus, of all the customer's purchase order, (b) Sorbus' form of addition or (c) letter of agreement. The customer's purchase order, Sorbus' form of addendum or letter agreement will state the location, the number, periods of maintenance service, and conditions of any effective date of commencement of maintenance service availability, and changes with respect to such equipment in effect.

8 Periods of Maintenance Service Availability — The minimum monthly maintenance charge described herein entitles the customer to weekday maintenance service availability during the period of 9 consecutive hours, between the hours of 8:00 A.M. and 6:00 P.M., Monday through Friday, except legal holidays. The customer may select an additional longer additional hours of maintenance service availability as shown on the face of this Agreement; however, such additional period shall also exclude legal holidays.

Scheduled preventive maintenance will be performed within that portion of the period selected by the customer which falls between the hours of 8:00 A.M. and 6:00 P.M., Monday through Friday, referred to herein as Sorbus' preventive maintenance hours. The customer requires preventive maintenance at times outside of Sorbus' normal working hours, then in effect.

The hours of maintenance service availability for equipment on Monday through Friday, except legal holidays, shall be the same each day and the hours on Saturday or Sunday shall be the same hours on all Saturdays or Sundays. The customer may change his selected periods of maintenance service availability at the beginning of any calendar month by giving Sorbus 15 days' prior notice.

All equipment at a single location shall have a common period of maintenance service availability.

9 Travel Expenses — Sorbus will charge the customer for the location shown on the face of this Agreement to travel to and from the premises of Sorbus designated Service Area(s) in (s) DATE (b) travel time (with a maximum of

per round trip, plus miles (with a maximum of miles per round trip), plus \$ for all other expenses incurred by Sorbus' field engineer for travel beyond the perimeter of such Sorbus Serviceable Area in connection with service during the period of maintenance availability selected.

10 Maintenance Service Outside Selected Periods — If the customer requests unscheduled on-call technical maintenance to be performed at a time which is outside the selected period of maintenance service availability, the service will be furnished at the applicable Sorbus per call rates and terms then in effect. Travel time and expenses are billable in connection with such maintenance. For the purpose of this Agreement, any unscheduled, on-call technical maintenance service started during a selected period of maintenance service availability and completed within 1 hour after such period will be treated as having been performed within such period and no additional charge will be made therefor.

11 Installation and Control of Engineering and Safety Charges — Sorbus will control and install all engineering charges it deems necessary on Equipment covered by this Agreement unless otherwise specified by the customer in writing. There will be no charges for such engineering charges.

12 Disclaimers, Customer's Responsibilities, Sorbus' Obligations Under This Agreement — **A. IN THE EVENT OF ALL WARRANTIES EXPIRED OR DENIED** — Sorbus will not be liable for special, indirect or consequential damages arising out of or in connection with this Agreement or the use of the equipment or service under this Agreement.

B. Customer's Responsibility — Customer acknowledges that it has read this Agreement, and agrees to be bound by its terms and conditions. Further, customer acknowledges that this Agreement is the complete and exclusive statement of the agreement between the parties, which supersedes all proposals or prior agreements, oral or written, and all other communications between the parties relating to the subject matter of this Agreement.

C. Management Assistance Inc., Sorbus Service Division — Accepted by

Accepted by
Management Assistance Inc.,
Sorbus Service Division

...
(Customer's Full Legal Name)

Official's Print
DATE



Maintenance Agreement For Service Of BASIC FOUR® Computer Systems

Sorbus Service Division District Office:

Customer Name & Address:

Shaded areas for MAI/Sorbus use only					
Customer No.	MAI/Sorbus ID No.	A.D.	P/C	Customer Reference No.	
Cust. Instl. Ref. No. Contract Date Contract Expir. Date					
R	D	T	S/A	Tax	Geographic Codes

Basic Four Information Systems Division
Warranty Service Period _____ days

Location of Equipment:

Company Name _____ Deot. Name _____

Street Address _____ City _____ State _____ ZIP Code _____ Phone No. _____

Management Assistance Inc., through its Sorbus Service Division ("MAI"), by its acceptance hereof, agrees to provide remedial and preventive maintenance service for the equipment and features listed below ("Equipment") in accordance with the following terms:

MAI/ Sorbus Type	Mfr. Serial No.	EDPE System	Type	Model	Name		Class	S.C.	Feature No.	Feat. Qty.	Unit Minimum Monthly Maint. Charge	Extended Monthly Charge
Monthly Travel Surcharge												
Comments											TOTAL CHARGES	

Are Continuation Sheets
attached?

Yes No

Period Of Maintenance Service Availability						
% Coverage	Code	Mon-Fri From _____ To _____	Sat From _____ To _____	Sun From _____ To _____		

1. Term of Agreement

The effective date of this Agreement shall be the date upon which MAI certifies that the Equipment has successfully completed diagnostic testing after installation ("Installation Date"). This Agreement shall commence on the Installation Date and shall remain in effect for a period of 12 months after the expiration of the Basic Four Information Systems Division Warranty Service Period set forth on the face hereof. This Agreement shall continue from year to year after the expiration of the initial term unless terminated as herein provided. This Agreement shall be terminable by either party as of the end of the initial term, or as of the end of any subsequent year, on the last day of the initial term of any subsequent 12 month period upon not less than 90 days' prior notice.

Any item of Equipment may be withdrawn from this Agreement by the customer, at any time, upon the giving of 30 days' prior notice, provided that such withdrawal is associated with or necessitated by a reconfiguration of the Basic Four Computer System.

2. Charges

The minimum monthly maintenance charges provided for in this Agreement commencing immediately upon expiration of the Basic Four Information Systems Division Warranty Service Period, if applicable, and the other monthly charges, commencing on the Installation Date of this Agreement, will be invoiced as of the first day of each calendar month in advance. Payment will be made in full within 30 days after the date of invoice. All other charges hereunder are payable as specified in the applicable invoice for such charges. If customer defaults in the payment of any invoice, MAI may upon notice, modify the payment terms set forth herein, in addition to its other remedies. Charges for a partial month's service will be prorated on the basis of a 30-day month.

All charges specified are those currently in effect and are subject to change by MAI upon 90 days' prior notice. If the charges are increased, the customer may, on the effective date of such increase, terminate this Agreement or withdraw from service any item of Equipment thereby affected upon 1 month's prior notice; otherwise, the new charge shall become effective upon the date specified in the notice.

There shall be added to the charges due hereunder an amount equal to all taxes, however designated, levied, or based on such charges or on this Agreement, or on the services rendered or parts supplied pursuant hereto, including state and local privilege or excise taxes based on gross revenue, and any taxes or amount in lieu thereof paid or payable by MAI in respect of the foregoing, exclusive, however, of taxes based on net income.

3. Basic Four Information Systems Division Warranty Service Period

During the Basic Four Information Systems Division Warranty Service Period, if applicable, MAI shall provide remedial and preventive maintenance service, as defined in Captions 4 and 5 hereof, at no charge to customer during the customer's selected period of maintenance service availability within MAI's normal working hours (8:00 A.M. to 6:00 P.M., Monday through Friday, except legal holidays). All requests by customer for maintenance service outside of MAI's normal working hours during the Basic Four Information Systems Division Warranty Service Period will be provided at the applicable MAI per call rates and terms then in effect.

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4. Scope of MAI Maintenance Service

MAI will render maintenance service to keep the Equipment in, or restore the Equipment to, good working order. This maintenance service includes the scheduled preventive maintenance based upon the specific needs of the individual item of Equipment as determined by MAI and unscheduled, on-call remedial maintenance. Maintenance will include lubrication, adjustments, and replacement of maintenance parts deemed necessary by MAI. Maintenance parts, which will be new or reconditioned to perform as new, will be furnished on an exchange basis, and the exchanged parts will become the property of MAI. Maintenance service provided under this Agreement does not assure uninterrupted operation of the Equipment. If maintenance service is requested by customer to be performed outside the period selected by customer as provided in Caption 9 hereof, such service will be provided at the applicable MAI per call rates and terms then in effect.

5. Exclusions From MAI Maintenance Service

The following services (inclusive of replacement of maintenance parts) are outside the scope of MAI maintenance service provided hereunder:

- (a) electrical work external to the Equipment;
- (b) maintenance of accessories, alterations, attachments, or other devices which are not within the Basic Four Information Systems Division product line, or which are not certified by Basic Four Information Systems Division to be its Software Operating System, or which are not then serviced by MAI in the designated MAI Serviceable Area;
- (c) repair of damage or increase in service time due to any cause external to the Equipment adversely affecting its operability or serviceability which shall include, but not be limited to, fire, flood, water, wind, lightning and transportation, or due to neglect or misuse;
- (d) repair of damage or increase in service time caused by alterations, which shall include, but not be limited to, any deviation from Basic Four Information Systems Division's physical, mechanical or electrical machine design;
- (e) repair of damage or increase in service time caused by attachments or devices which effect a software or operating system incompatibility;
- (f) repair of damage or increase in service time caused by attachments or devices which are defined as the mechanical, electrical or electronic interconnection to the Basic Four Computer System which are not within the Basic Four Information Division product line or which are not then serviced by MAI in the designated MAI Serviceable Area;
- (g) repair of damage or increase in service time caused by failure to continually provide a suitable installation environment with all facilities prescribed by the applicable Basic Four Site Planning Checklist including, but not limited to, the failure to provide adequate electrical power, air conditioning or humidity control, or customer's improper use, management or supervision of the Equipment including without limitation, the use of supplies, disc packs and cartridges not approved by Basic Four Information Systems Division.
- (h) repair of damage or increase in service time caused by the use of the Equipment for purposes other than for which it is designed;

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(i) furnishing supplies or accessories, painting or refinishing the machines or furnishing material therefor, making specification changes or performing services connected with relocation of Equipment, or adding or removing approved accessories, attachments or other devices except as set forth herein;

(jj) such service which is impractical for MAI service representatives to render because of alterations in the Equipment or their connection by mechanical or electrical means to another machine or device; and

(k) systems engineering services, programming and operational procedures of any sort.

6. Other Services Available to Customer

Upon customer's request, the rendition of services outside the scope of MAI maintenance service will be within the discretion of MAI and, if performed, will be at the applicable MAI per call rates and terms then in effect.

7. Access to Equipment

Customer will provide MAI with full and free access to the Equipment and a safe place in which to perform such service. If persons other than MAI service representatives repair, modify or perform any maintenance service on any item of Equipment covered by this Agreement, and as a result thereof, any maintenance service by MAI is required to restore the Equipment to good operating condition and MAI serviceable condition, such maintenance service will be made at the applicable MAI per call rates and terms then in effect.

8. Additional Equipment

Additional items of Equipment will be made subject to this Agreement upon execution by a duly authorized representative of the customer, and acceptance thereof by MAI of (a) the customer's purchase order, (b) MAI's form of addendum or (c) a letter agreement. The customer's purchase order, MAI's form of addendum or letter agreement will state the location, the additional items of Equipment, the type, model, serial number, periods of maintenance service availability, the effective date of the commencement of maintenance service availability, and charges with respect to such Equipment.

9. Periods of Maintenance Service Availability

The minimum monthly maintenance charge described herein entitles the customer to weekday maintenance service availability during the period of 9 consecutive hours between the hours of 8:00 A.M. and 6:00 P.M., daily as selected by the customer, Monday through Friday, except legal holidays.

The customer may select, in addition to the hours available for the minimum monthly maintenance charge, one of the following optional periods of maintenance service availability (including the nine consecutive hours referred to above) for an additional charge: 12, 16, 20 or 24 consecutive hours, daily, Monday through Friday (until 8:00 A.M. on Saturday) except legal holidays. If customer selects one of the foregoing optional periods, customer may also select one of the following periods at an additional charge: 9, 12, 16, 20 or 24 consecutive hours, Saturdays and/or Sundays (until 8:00 A.M. on the following day), except legal holidays. However, preventive maintenance will only be performed between the hours of 8:00 A.M. and 6:00 P.M., Monday through Friday, except legal holidays.

The hours of maintenance service availability for Equipment on Monday through Friday, except legal holidays, shall be the same each day, and the hours on Saturday or Sunday shall be the same hours on all Saturdays or Sundays.

The customer may change his selected periods of maintenance service availability at the beginning of any calendar month by giving MAI 15 days' prior notice.

All equipment at a single location shall have a common period of maintenance service availability but if a quantity of items of Equipment situated at two or more locations are designed to operate in conjunction with each other and are interconnected by a power or signal cable or the equivalent then all such items of Equipment shall have a common period of maintenance service availability.

10. Charges for Optional Periods of Maintenance Service Availability

Additional charges for one or more of the optional periods of maintenance service availability selected by customer are shown on the face of this Agreement. Such charges are based upon a percentage of the minimum monthly maintenance charge depending on the optional periods selected.

11. Monthly Travel Surcharge

MAI will surcharge the customer monthly if the location shown on the face of this Agreement is located beyond the designated MAI Serviceable Area in connection with maintenance service performed during the period of maintenance service availability selected by customer as shown on the face hereof.

12. Maintenance Service Outside Selected Periods.

If the customer requests unscheduled on-call remedial maintenance to be performed at a time which is outside the selected period of maintenance service availability, the service will be furnished at the applicable MAI per call rates and terms then in effect. Travel time and expenses are billable in connection with such maintenance. For the purpose of this Agreement, any unscheduled, on-call remedial maintenance service started during a selected period of maintenance service availability and completed within 1 hour after such period will be treated as having been performed within such period and no additional charge will be made therefor.

13. Installation and Control of Engineering and Safety Changes

MAI will control and install all engineering changes it deems necessary on Equipment covered by this Agreement unless otherwise requested by the customer in writing. There will be no charges for such engineering changes.

MAI will control and install, without charge, all safety devices it deems necessary. If the customer refuses to permit installation of a safety change, or removes a safety change already installed, MAI may, at its option, discontinue providing maintenance service until the hazard has been corrected.

If the customer requests installation of engineering changes, including safety changes, at times other than during MAI's normal working hours, MAI reserves the right to charge for such service at the applicable MAI per call rates and terms then in effect.

14. Software Operating System

In the event customer does not upgrade the Software Operating System applicable to the Equipment to the latest available level being supported by Basic Four Information Systems Division within 180 days from release date of the Software Operating System applicable to the Equipment or change thereto, a surcharge may be imposed in addition to the minimum monthly maintenance charge.

15. Disclaimers; Customer's Responsibilities

MAI'S OBLIGATIONS UNDER THIS AGREEMENT ARE IN LIEU OF ALL WARRANTIES, EXPRESS OR IMPLIED. MAI WILL NOT BE LIABLE FOR SPECIAL, INDIRECT OR CONSEQUENTIAL DAMAGES, ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR THE MAINTENANCE SERVICE PERFORMED HEREUNDER.

It is the responsibility of the customer to ensure that all of its files are adequately duplicated and documented. MAI will not be responsible for customer's failure to do so, nor for the cost of reconstructing data stored on disc files, tapes, memories, etc., lost during the course of performance of maintenance service.

16. General

MAI reserves the right to adjust the specified monthly charges if the Equipment specifications, attachments or features of any item of Equipment are changed after the date hereof.

MAI is not responsible for any failure to render service due to strikes or causes reasonably beyond its control.

The customer represents that he is the owner of the Equipment subject to this Agreement or, if not the owner, that he has the authority to enter into this Agreement.

MAI may upon giving prior notice to the customer, assign this Agreement and MAI's rights hereunder, to any parent, subsidiary or affiliate thereof. This Agreement is not assignable by customer without the prior written consent of MAI and any attempted assignment without prior written consent shall be void.

MAI reserves the right to terminate maintenance service immediately in the event that additional equipment which is not within the Basic Four Information Systems Division product line or which is not then serviced by MAI in the

designated MAI Serviceable Area is attached to or inserted in a Basic Four Computer System subject to maintenance service under this Agreement.

Either party may terminate this Agreement at any time for failure of the other to comply with any of its terms and conditions. MAI reserves the right to terminate maintenance service immediately in the event customer is in default under any agreement with MAI or any of its affiliated companies. This Agreement will terminate immediately and all charges due hereunder will become immediately due and payable in the event that customer makes an assignment for the benefit of creditors, or a voluntary or involuntary petition is filed by or against customer under any law having for its purpose the adjudication of customer a bankrupt or the reorganization of customer.

Any notice or other communication given hereunder shall be in writing and mailed, if to MAI, to the address of Sorbus Service Division District Office shown on the face of this Agreement, and if to the customer, to the address of the customer shown on this Agreement or to such other address as such party shall have theretofore designated by notice in writing. Any such notice, if mailed properly addressed and postage prepaid, shall be deemed given when deposited in the United States mail.

This Agreement shall be governed by the laws of the State of New York and constitutes the entire Agreement between MAI and the customer with respect to the furnishing of MAI maintenance service. No provision of this Agreement shall be deemed waived, amended or modified by either party unless such waiver, agreement or modification be in writing signed by the party against whom it is sought to enforce the waiver, amendment or modification.

The foregoing terms and conditions shall prevail notwithstanding any variance with the terms and conditions of any order submitted by the customer for the repair or maintenance of the Equipment.

Customer acknowledges that he has read this Agreement, understands it, and agrees to be bound by its terms and conditions. Further, customer acknowledges that this Agreement is the complete and exclusive statement of the agreement between the parties, which supersedes all proposals or prior agreements, oral or written, and all other communications between the parties relating to the subject matter of this Agreement.

Accepted by:

Management Assistance Inc.,
Sorbus Service Division

BY: _____

TITLE: _____

DATE: _____

Accepted by:

*Customer's Full Legal Name

BY: _____

OFFICER'S TITLE: _____

DATE: _____

APPENDIX D: SORBUS SALES PITCH

SORBUS "TOTAL SERVICE" CONCEPT

M.A.I./Sorbus Service Division is the leading independent third party maintenance company in the nation today, with over 1300 Field Engineers. Sorbus provides maintenance service to over 40 manufacturers and/or suppliers of equipment.

Cost Effective : Use of SORBUS SERVICE allows you to take advantage of many more marketing opportunities.

Scheduled Preventive Maintenance : A comprehensive program designed to prolong the useful life of your equipment as well as insure you maximum utilization.

24 Hours, 7 Days a Week : Call dispatching, management availability and technical support.

Perpetual Inventory Control : Parts are stocked on site, in the local office, in the District Office, and are available from our National parts center.

SERVICE Is Our Only Business : Our people are our only product. With their experience, dedication, and performance, along with their perpetual schooling of the latest equipment, you will always receive quality service.

Rated # 1 : For the past 6 years, DATAMATION, DATA COMMUNICATIONS, and COMPUTER DECISIONS have rated Sorbus as the number one choice for outside maintenance and service assistance. Sorbus achieved this distinction by concentrating solely on service and by continually providing superior cost/performance alternatives to their customers.

Nationwide Coverage : We service over 20,000 sites in over 160 cities throughout the United States.

Quality of Service Report : By use of this document, we are able to determine the degree of satisfaction of the service performed. This report is reviewed by three levels of management within Sorbus.

SORBUS MAKES SENSE

BECAUSE SORBUS "TOTAL SERVICE" MAINTENANCE PHILOSOPHY FEATURES:

- ... CONTINUOUS CUSTOMER SATISFACTION THROUGH A FIELD MANAGER/ FIELD ENGINEER/CUSTOMER RELATIONSHIP.
- ... INITIAL INSPECTION OF YOUR EQUIPMENT TO ASSURE THAT ITS SERVICE LEVEL IS EQUAL TO ACCEPTED INDUSTRY STANDARDS.
- ... OEM SPONSORED ENGINEERING CHANGES MONITORED AND SCHEDULED FOR INSTALLATION AS RELEASED.
- ... IMPLEMENTATION OF A SCHEDULED PREVENTATIVE MINTENANCE PROGRAM SPECIFICALLY TAILORED TO YOUR UNIQUE REQUIREMENTS.
- ... QUALITY OF SERVICE AND CUSTOMER SATISFACTION LEVEL CONTINUALLY MONITORED THROUGH THE SORBUS QUALITY OF SERVICE REPORTING SYSTEM (QSR).
- ... 24 HOUR 7 DAY SERVICE CALL DISPATCHING WITH MANAGEMENT AND TECHNICAL SUPPORT INVOLVEMENT.
- ... FULL SERVICE MAINTENANCE AGREEMENT.
- ... A WILLINGNESS TO GROW WITH THE CUSTOMER AS THEIR HARDWARE NEEDS CHANGE.

SORBUS MAKES SENSE

BECAUSE SORBUS IS:

- ... THE COMPANY WHOSE ONLY BUSINESS IS SERVICE.
- ... THE COMPANY WITH SERVICE CAPABILITY IN OVER 160 CITIES NATIONWIDE.
- ... THE COMPANY WITH OVER 1700 EMPLOYEES.
- ... THE COMPANY MAINTAINING OVER 90,000 DATA PROCESSING MACHINES AND RELATED EQUIPMENT.
- ... THE COMPANY PROVIDING SERVICE IN OVER 30,000 CUSTOMER LOCATIONS
- ... THE COMPANY CHOSEN BY OVER 60 LEADING DATA PROCESSING EQUIPMENT MANUFACTURERS TO SERVICE EQUIPMENT AT THEIR CUSTOMERS.
- ... THE COMPANY WHOSE REPUTATION FOR SUCCESS IS RESPECTED THROUGHOUT THE DATA PROCESSING INDUSTRY, AS INDICATED BY OUR NUMBER ONE RANKING IN MAJOR BRAND PREFERENCE SURVEYS.
- ... THE COMPANY TOTALLY DEDICATED TO SERVICE EXCELLENCE.

